

**OVERSIGHT BOARD OF THE  
IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY**

**A G E N D A**

**DECEMBER 12, 2012**

**City of Imperial Beach Council Chambers  
825 Imperial Beach Boulevard  
Imperial Beach, CA 91932**

**SPECIAL MEETING – 10:30 a.m.**

The Oversight Board of the Imperial Beach Redevelopment Agency Successor Agency is endeavoring to be in total compliance with the Americans with Disabilities Act (ADA). If you require assistance or auxiliary aids in order to participate at Oversight Board meetings, please contact the City Clerk's/Secretary's Office at (619) 423-8301, as far in advance of the meeting as possible.

- 1. CALL TO ORDER**
- 2. ROLL CALL BY CITY CLERK/SECRETARY**
- 3. PUBLIC COMMENT** - Each person wishing to address the Oversight Board regarding items not on the posted agenda may do so at this time. In accordance with State law, the Oversight Board may not take action on an item not scheduled on the agenda. If appropriate, the item will be referred to the Successor Agency staff or placed on a future agenda.
- 4. REPORTS**
  - A. APPROVAL OF MINUTES.**

Recommendation: Approve the Oversight Board Meeting Minutes of August 22, 2012, September 12, 2012, October 2, 2012 and October 11, 2012.
  - B. RECEIVE DUE DILIGENCE REVIEW (DDR) FOR ALL FUND AND ACCOUNT BALANCES OTHER THAN THE LOW AND MODERATE INCOME HOUSING FUND PREPARED PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE SECTION 34179.5 AND THE CONVENING OF A PUBLIC COMMENT SESSION PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE SECTION 34179.6(b).**

Staff does not have any specific recommendations to the Oversight Board at this time other than to receive staff's report and any public comments on the Non-Housing DDR.
- 5. ADJOURNMENT**

/s/

Jacqueline M. Hald, MMC  
City Clerk/Secretary

**For your convenience, a copy of the agenda and meeting packet may be viewed in the office of the City Clerk at City Hall or on our website at [www.cityofib.com](http://www.cityofib.com). Go to the Imperial Beach Redevelopment Agency Successor Agency page located under the Government Section.**

**Any writings or documents provided to a majority of the Oversight Board regarding any item on this agenda will be made available for public inspection in the office of the City Clerk located at 825 Imperial Beach Blvd., Imperial Beach, CA 91932 during normal business hours.**

**MINUTES****OVERSIGHT BOARD OF THE  
IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY****AUGUST 22, 2012****City of Imperial Beach Council Chambers  
825 Imperial Beach Boulevard  
Imperial Beach, CA 91932****SPECIAL MEETING – 10:30 a.m.****1. CALL TO ORDER**

CHAIR PERSON WINTER called the Special Meeting to order at 10:30 a.m.

**2. ROLL CALL BY CITY CLERK/SECRETARY**

Oversight Board Members present: Foltz, Goodwin-Colbert, Hentschke, Saadat, West  
Oversight Board Members absent: None.

Vice Chair present: Fernandez

Chair present: Winter

Staff present: Deputy Executive Director Wade, City Attorney Lyon, Special Counsel Berkey, Finance Director McGrane, City Clerk/Secretary Hald

**3. PUBLIC COMMENT**

None.

**4. NEW BUSINESS****A. APPROVAL OF MINUTES.**

**MOTION BY GOODWIN-COLBERT, SECOND BY SAADAT, TO APPROVE THE MINUTES OF THE JUNE 13, 2012 REGULAR MEETING. MOTION CARRIED BY THE FOLLOWING VOTE:**

**AYES: BOARD MEMBERS: FOLTZ, GOODWIN-COLBERT, WINTER, FERNANDEZ, SAADAT, WEST**

**NOES: BOARD MEMBERS: NONE**

**ABSTENTIONS: BOARD MEMBERS: HENTSCHKE**

**B. OVERVIEW REPORT ON ASSEMBLY BILL (AB) 1484.**

DEPUTY EXECUTIVE DIRECTOR WADE gave a brief overview of AB 1484.

SPECIAL COUNSEL BERKEY stated that the purpose of AB 1484 was to make technical changes to the provisions of AB 26 and she reviewed the major provisions of AB 1484.

DEPUTY EXECUTIVE WADE stated that since the impending deadline for the Due Diligence Review is on October 1, 2012, a special meeting may be held in late September.

- C. ADOPT RESOLUTION NO. OB-12-07 OF THE OVERSIGHT BOARD OF THE IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY APPROVING THE ADMINISTRATIVE BUDGET FOR THE PERIOD OF JANUARY 1, 2013 THROUGH JUNE 30, 2013 AND RELATED ACTIONS.**

DEPUTY EXECUTIVE DIRECTOR WADE reported on the item.

**MOTION BY FERNANDEZ, SECOND BY SAADAT, TO APPROVE THE ADMINISTRATIVE BUDGET. MOTION CARRIED UNANIMOUSLY.**

DEPUTY EXECUTIVE DIRECTOR WADE asked that the motion include the adoption of Resolution No. OB-12-07.

**MOTION BY FERNANDEZ, SECOND BY SAADAT, TO ADOPT RESOLUTION NO. OB-12-07 OF THE OVERSIGHT BOARD OF THE IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY APPROVING THE ADMINISTRATIVE BUDGET FOR THE PERIOD OF JANUARY 1, 2013 THROUGH JUNE 30, 2013 AND RELATED ACTIONS. MOTION CARRIED UNANIMOUSLY.**

- D. ADOPT RESOLUTION NO. OB-12-08 OF THE OVERSIGHT BOARD OF THE IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY DETERMINING, PURSUANT TO HEALTH AND SAFETY CODE SECTION 34176(g)(1)(B), THAT THE HOUSING AUTHORITY'S DESIGNATIONS OF THE USE AND COMMITMENT OF CERTAIN PROCEEDS DERIVED FROM HOUSING BONDS ISSUED PRIOR TO JANUARY 1, 2011 FOR PURPOSES OF AFFORDABLE HOUSING ARE CONSISTENT WITH THE HOUSING BONDS COVENANT OBLIGATIONS, INCLUDING REQUIREMENTS RELATING TO TAX STATUS, AND THAT THERE ARE SUFFICIENT HOUSING BONDS PROCEEDS AVAILABLE FOR THE DESIGNATED PURPOSES.**

DEPUTY EXECUTIVE DIRECTOR WADE reported on the item.

**MOTION BY WEST, SECOND BY HENTSCHE, TO ADOPT RESOLUTION NO. OB-12-08 OF THE OVERSIGHT BOARD OF THE IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY DETERMINING, PURSUANT TO HEALTH AND SAFETY CODE SECTION 34176(g)(1)(B), THAT THE HOUSING AUTHORITY'S DESIGNATIONS OF THE USE AND COMMITMENT OF CERTAIN PROCEEDS DERIVED FROM HOUSING BONDS ISSUED PRIOR TO JANUARY 1, 2011 FOR PURPOSES OF AFFORDABLE HOUSING ARE CONSISTENT WITH THE HOUSING BONDS COVENANT OBLIGATIONS, INCLUDING REQUIREMENTS RELATING TO TAX STATUS, AND THAT THERE ARE SUFFICIENT HOUSING BONDS PROCEEDS AVAILABLE FOR THE DESIGNATED PURPOSES. MOTION CARRIED UNANIMOUSLY.**

- E. ADOPTION OF RESOLUTION NO. OB-12-09 OF THE OVERSIGHT BOARD OF THE IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS) FOR THE PERIOD OF JANUARY 1, 2013 THROUGH JUNE 30, 2013 AND APPROVING CERTAIN RELATED ACTIONS PURSUANT TO PART 1.85 OF THE CALIFORNIA HEALTH AND SAFETY CODE.**

BOARD MEMBER WEST left Council Chambers at 11:33 a.m. due to a potential conflict of interest as his residence is within 500 feet of a project listed on the ROPS.

A summary of the Recognized Obligation Schedule Payment Schedule for the January 1, 2013 Period (in the new format) was submitted as last minute agenda information.

DEPUTY EXECUTIVE DIRECTOR WADE introduced the item.

FINNACE DIRECTOR MCGRANE reported on the item, explained the PERS unfunded liability, and stated that the third ROPS (in the new format) is identical to the older version with exception to the PERS unfunded liability item.

DEPUTY EXECUTIVE DIRECTOR WADE explained that at the IBSA meeting of August 1<sup>st</sup>, the legal fees were extracted as a separate line item which reduced the administrative budget as shown on the third ROPS. He also stated that with the adoption of Resolution No. OB-12-09, the reentering into a Reimbursement Agreement would be approved. He explained that the “Notes” pages are new to the ROPS. The notes explain in greater detail the changes and justification for inclusion in the ROPS.

**MOTION BY SAADAT, SECOND BY FERNANDEZ, TO ADOPT RESOLUTION NO. OB-12-09 OF THE OVERSIGHT BOARD OF THE IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS) FOR THE PERIOD OF JANUARY 1, 2013 THROUGH JUNE 30, 2013 AND APPROVING CERTAIN RELATED ACTIONS PURSUANT TO PART 1.85 OF THE CALIFORNIA HEALTH AND SAFETY CODE. MOTION CARRIED BY THE FOLLOWING VOTE:**

<b>AYES:</b>	<b>BOARD MEMBERS: FOLTZ, GOODWIN-COLBERT, WINTER, FERNANDEZ, HENTSCHEKE, SAADAT</b>
<b>NOES:</b>	<b>BOARD MEMBERS: NONE</b>
<b>ABSENT:</b>	<b>BOARD MEMBERS: NONE</b>
<b>DISQUALIFIED:</b>	<b>BOARD MEMBERS: WEST</b>

**5. OLD BUSINESS**

None.

**6. ADJOURNMENT**

The meeting was adjourned at 12:15 p.m.

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**MAYDA WINTER, CHAIR PERSON**

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**JACQUELINE M. HALD, MMC**  
**CITY CLERK/SECRETARY**

**MINUTES****OVERSIGHT BOARD OF THE  
IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY****SEPTEMBER 12, 2012****City of Imperial Beach Council Chambers  
825 Imperial Beach Boulevard  
Imperial Beach, CA 91932****REGULAR MEETING – 10:30 a.m.****1. CALL TO ORDER**

CHAIR PERSON WINTER called the regular meeting to order at 10:31 a.m.

**2. ROLL CALL BY CITY CLERK/SECRETARY**

Oversight Board Members present: Foltz, Goodwin-Colbert, Hentschke, Saadat

Oversight Board Members absent: West

Vice Chair present: Fernandez

Chair present: Winter

Staff present: Deputy Executive Director Wade, City Attorney Lyon, Special Counsel Berkey, Finance Director McGrane, City Clerk/Secretary Hald

**3. PUBLIC COMMENT**

None.

**4. NEW BUSINESS**

**A. RESOLUTION NO. OB-12-10 APPROVING THE TERMS OF THE DISPOSITION AND DEVELOPMENT AGREEMENT (DDA) BETWEEN THE CITY OF IMPERIAL BEACH (CITY) AND SADBERRY-PALM AVENUE LLC AND APPROVING THE TRANSFER OF OWNERSHIP OF REAL PROPERTY, THE RETENTION AND OWNERSHIP OF CERTAIN PUBLIC IMPROVEMENTS, AND THE TRANSFER OF RESIDUAL PROCEEDS FROM THE SALE OF REAL PROPERTY.**

DEPUTY EXECUTIVE DIRECTOR WADE gave a Power Point presentation on the item and announced a revised Resolution No. OB-12-10 and an Exhibit A (Scope of Work) to Attachment 6 were submitted as last minute agenda information. He responded to questions of the Board regarding the time frames for the completion of the project and explained why there were three RFPs for the project.

SPECIAL COUNSEL BERKEY stated that under legislation AB 26, amended by AB 1484, the DOF has 40 days from submittal to review this action but the review period could be extended to 60 days. The hope is that the project can move forward after approval versus having to go through the long range management plan next year. She stated that the actions of the Board would be submitted to the DOF for review.

ESTEAN LENYON stated that worst case scenarios were considered when the time frames for the project were established and he noted that it has taken three years to work with Caltrans. He spoke about Sudberry Properties' ongoing commitment to the project and to the City. He also stated that it is possible to complete the project in one phase.

CHRIS PETO, COO for Halferty Development Co., asked the Board not to approve the project. He said his company would be better suited to develop the property and offered \$250,000 more for the property. He submitted a copy of a letter regarding his proposal for the record.

CHAIR PERSON WINTER expressed concern about any modifications at this point and stressed that Sudberry Properties has demonstrated a commitment to the project. She encouraged Mr. Peto to work with the City on developing another site.

DEPUTY EXECUTIVE DIRECTOR WADE stated that the proposal from Halferty Development Co. came to the City via e-mail. The City responded in writing and copies of the response were provided to the Oversight Board and to the Successor Agency. He also stated that staff's position is that to replace a developer in an existing agreement with another developer without their consent would be a breach of contract and would not recommend doing it.

**MOTION BY FERNANDEZ, SECOND BY FOLTZ, TO ADOPT RESOLUTION NO. OB-12-10 APPROVING THE TERMS OF THE DISPOSITION AND DEVELOPMENT AGREEMENT (DDA) BETWEEN THE CITY OF IMPERIAL BEACH (CITY) AND SADBERRY-PALM AVENUE LLC AND APPROVING THE TRANSFER OF OWNERSHIP OF REAL PROPERTY, THE RETENTION AND OWNERSHIP OF CERTAIN PUBLIC IMPROVEMENTS, AND THE TRANSFER OF RESIDUAL PROCEEDS FROM THE SALE OF REAL PROPERTY.**

Discussion:

BOARD MEMBER HENTSKE stated that he supported the motion and that the staff has demonstrated that there is economic value. The speaker made an oral representation that he is willing to offer more money than the current proposal but the current proposal has been through the review process and was approved by the Successor Agency. Not only has the speaker's proposal not been presented to the Successor Agency, it is too late to make such an offer.

CHAIR PERSON WINTER thanked Sudberry Properties for their superb quality of work and commitment to the project.

**VOTES WERE NOW CAST ON ORIGINAL MOTION BY FERNANDEZ, SECOND BY FOLTZ, TO ADOPT RESOLUTION NO. OB-12-10 APPROVING THE TERMS OF THE DISPOSITION AND DEVELOPMENT AGREEMENT (DDA) BETWEEN THE CITY OF IMPERIAL BEACH (CITY) AND SADBERRY-PALM AVENUE LLC AND APPROVING THE TRANSFER OF OWNERSHIP OF REAL PROPERTY, THE RETENTION AND OWNERSHIP OF CERTAIN PUBLIC IMPROVEMENTS, AND THE TRANSFER OF RESIDUAL PROCEEDS FROM THE SALE OF REAL PROPERTY. MOTION CARRIED BY THE FOLLOWING VOTE:**

<b>AYES:</b>	<b>BOARD MEMBERS:</b>	<b>FOLTZ, GOODWIN-COLBERT, WINTER, FERNANDEZ, HENTSCHE, SAADAT</b>
<b>NOES:</b>	<b>BOARD MEMBERS:</b>	<b>NONE</b>
<b>ABSENT:</b>	<b>BOARD MEMBERS:</b>	<b>WEST</b>

**5. OLD BUSINESS**

None.

**6. ADJOURNMENT**

The meeting was adjourned at 11:26 a.m.

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**MAYDA C. WINTER, CHAIR PERSON**

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**JACQUELINE M. HALD, MMC**  
**CITY CLERK/SECRETARY**

MINUTES

OVERSIGHT BOARD OF THE  
IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY

**A G E N D A**

OCTOBER 2, 2012

City of Imperial Beach Council Chambers  
825 Imperial Beach Boulevard  
Imperial Beach, CA 91932

**SPECIAL MEETING – 10:30 a.m.**

**1. CALL TO ORDER**

CHAIR PERSON WINTER called the special meeting to order at 10:31 a.m.

**2. ROLL CALL BY CITY CLERK/SECRETARY**

Oversight Board Members present: Foltz, Goodwin-Colbert, Hentschke, Saadat, West

Oversight Board Members absent: None

Vice Chair present: Fernandez

Chair present: Winter

Staff present: Deputy Executive Director Wade, Deputy City Attorney Sojoblom, Special Counsel Berkey, Finance Director McGrane, City Clerk/Secretary Hald

**3. PUBLIC COMMENT**

None.

**4. NEW BUSINESS**

- A. RECEIVE DUE DILIGENCE REPORT OF THE LOW AND MODERATE INCOME HOUSING FUND PREPARED PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE SECTION 34179.5 AND CONVENE A PUBLIC COMMENT SESSION PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE SECTION 34179.6(b).**

CHAIR PERSON WINTER and BOARD MEMBER WEST left Council Chambers at 10:33 a.m. due to a potential conflict of interest because of the location of their residential properties.

DEPUTY EXECUTIVE DIRECTOR WADE reported on the item.

SPECIAL COUNSEL BERKEY recommended that the public comment session be opened then continued to the next Oversight Board meeting.

VICE CHAIR FERNANDEZ opened the public comment period and announced that there were no public speakers.



**MOTION BY HENTSCHKE, SECOND BY FOLTZ, TO CONTINUE THE PUBLIC HEARING TO OCTOBER 11, 2012. MOTION CARRIED BY THE FOLLOWING VOTE:**

**AYES: BOARD MEMBERS: FOLTZ, GOODWIN-COLBERT, FERNANDEZ, HENTSCHKE, SAADAT**

**NOES: BOARD MEMBERS: NONE**

**ABSENT: BOARD MEMBERS: NONE**

**DISQUALIFIED: BOARD MEMBERS: WINTER, WEST**

**5. OLD BUSINESS**

None.

**6. ADJOURNMENT**

The meeting was adjourned at 10:41 a.m.

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**MAYDA WINTER, CHAIR PERSON**

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**JACQUELINE M. HALD, MMC  
CITY CLERK/SECRETARY**

**MINUTES****OVERSIGHT BOARD OF THE  
IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY****OCTOBER 11, 2012**

**City of Imperial Beach Council Chambers  
825 Imperial Beach Boulevard  
Imperial Beach, CA 91932**

**SPECIAL MEETING – 10:30 a.m.****1. CALL TO ORDER**

CHAIR PERSON WINTER called the special meeting to order at 10:30 a.m.

**2. ROLL CALL BY CITY CLERK/SECRETARY**

Oversight Board Members present: Foltz, Goodwin-Colbert, Saadat, West

Oversight Board Members absent: Hentschke

Vice Chair present: Fernandez

Chair present: Winter

Staff present: Deputy Executive Director Wade, City Attorney Lyon, Special Counsel Berkey, Finance Director VonAchen, Interim Finance Director, McGrane, City Clerk/Secretary Hald

**3. PUBLIC COMMENT**

DEPUTY EXECUTIVE DIRECTOR WADE introduced Katherine VonAchen, the City's new Finance Director.

**4. REPORTS**

**A. RESOLUTION NO. OB-12-12 DISPUTING THE FINDINGS OF THE COUNTY AUDITOR-CONTROLLER IN ITS REVIEW OF THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS) FOR THE PERIOD OF JANUARY 1, 2013 THROUGH JUNE 30, 2013 AND REFERRING THE MATTER TO THE STATE DEPARTMENT OF FINANCE FOR CONSIDERATION.**

Exhibit K – Letter from California Department of Finance to City of Imperial Beach, dated May 29, 2012, was submitted as Last Minute Agenda Information.

DEPUTY EXECUTIVE DIRECTOR WADE noted for the record that the item before the Board does not apply to the ROPS in its entirety but to specific items that the County Auditor and Controller had taken issue within their review. Much of what the County disputed has to do with the ROPS forms that were updated by the DOF just before approval by the Successor Agency and prior to the submittal to the Oversight Board for approval. He explained that the resolution before the Board contains the third ROPS (in the new format) and includes the reconciliation pages (a new requirement). He reviewed the County findings and staff's responses to the findings.

SPECIAL COUNSEL BERKEY explained the cash flow issue created by the legislation particularly with the reconciliation of the first ROPS period. She noted that many agencies are facing a similar cash flow situation.

DEPUTY EXECUTIVE DIRECTOR WADE stated that the reference to an Exhibit A in Resolution No. OB-12-12 was included in error and therefore should be removed.

BOARD MEMBER FOLTZ suggested that the full analysis (the staff report) be transmitted to the DOF along with the resolution.

**MOTION BY FERNANDEZ, SECOND BY WEST, TO ADOPT RESOLUTION NO. OB-12-12 DISPUTING THE FINDINGS OF THE COUNTY AUDITOR-CONTROLLER IN ITS REVIEW OF THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS) FOR THE PERIOD OF JANUARY 1, 2013 THROUGH JUNE 30, 2013 AND REFERRING THE MATTER TO THE STATE DEPARTMENT OF FINANCE FOR CONSIDERATION, WITH REMOVAL OF THE “ATTACHMENT A” PAGE. MOTION CARRIED BY THE FOLLOWING VOTE:**

**AYES: BOARD MEMBERS: FOLTZ, GOODWIN-COLBERT, WINTER, FERNANDEZ, SAADAT, WEST**

**NOES: BOARD MEMBERS: NONE**

**ABSENT: BOARD MEMBERS: HENTSCHKE**

**B. TAKING CERTAIN ACTIONS PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE SECTION 34179.6 AND ADOPTION OF RESOLUTION NO. OB-12-11 IN CONNECTION WITH THE DUE DILIGENCE REPORT FOR THE LOW AND MODERATE INCOME HOUSING FUND (LMIHF) PREPARED PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE SECTION 34179.5.**

CHAIR PERSON WINTER and BOARD MEMBER WEST left Council chambers at 11:15 a.m. due to a potential conflict of interest on the item due to the location of their residences.

DEPUTY EXECUTIVE DIRECTOR WADE reported on the item.

**MOTION BY GOODWIN-COLBERT, SECOND BY SADAAT, TO CLOSE THE PUBLIC COMMENT SECTION. MOTION CARRIED BY THE FOLLOWING VOTE:**

**AYES: BOARD MEMBERS: FOLTZ, GOODWIN-COLBERT, FERNANDEZ, SAADAT**

**NOES: BOARD MEMBERS: NONE**

**ABSENT: BOARD MEMBERS: HENTSCHKE**

**DISQUALIFIED: BOARD MEMBERS: WINTER, WEST**

**MOTION BY FOLTZ, SECOND BY SADAAT, TO ADOPT RESOLUTION NO. OB-12-11 TAKING CERTAIN ACTIONS PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE SECTION 34179.6 IN CONNECTION WITH THE DUE DILIGENCE REVIEW FOR THE LOW AND MODERATE INCOME HOUSING FUND PREPARED PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE SECTION 34179.5. MOTION CARRIED BY THE FOLLOWING VOTE:**

**AYES: BOARD MEMBERS: FOLTZ, GOODWIN-COLBERT, FERNANDEZ, SAADAT**

**NOES: BOARD MEMBERS: NONE**

**ABSENT: BOARD MEMBERS: HENTSCHKE**

**DISQUALIFIED: BOARD MEMBERS: WINTER, WEST**

**5. ADJOURNMENT**

The meeting was adjourned at 11:20 a.m.

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**MAYDA WINTER, CHAIR PERSON**

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**JACQUELINE M. HALD, MMC**  
**CITY CLERK/SECRETARY**



**STAFF REPORT  
OVERSIGHT BOARD  
TO THE  
IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY**

**TO:** CHAIR AND MEMBERS OF THE OVERSIGHT BOARD TO THE  
IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR  
AGENCY

**FROM:** GARY BROWN, EXECUTIVE DIRECTOR *GB*  
GREG WADE, DEPUTY DIRECTOR

**MEETING DATE:** DECEMBER 12, 2012

**SUBJECT:** RECEIVE DUE DILIGENCE REVIEW (DDR) FOR ALL FUND  
AND ACCOUNT BALANCES OTHER THAN THE LOW AND  
MODERATE INCOME HOUSING FUND PREPARED  
PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE  
SECTION 34179.5 AND THE CONVENING OF A PUBLIC  
COMMENT SESSION PURSUANT TO CALIFORNIA HEALTH  
AND SAFETY CODE SECTION 34179.6(b).

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**BACKGROUND:**

On June 28, 2011, Assembly Bill No. X1 26 ("AB 26" or "Dissolution Act") was signed into law by the Governor of California which called for the dissolution of redevelopment agencies throughout the State and established the procedures by which this was to be accomplished. On December 29, 2011, the California State Supreme Court largely upheld the Dissolution Act as constitutional and reformed and extended certain dates, by which certain dissolution actions were to occur under the Dissolution Act, by an additional four months. As a result of the Supreme Court's decision, on February 1, 2012, all California redevelopment agencies were dissolved, including the Imperial Beach Redevelopment Agency, and successor agencies to the former redevelopment agencies were established and were tasked with paying, performing and enforcing the enforceable obligations of the former redevelopment agencies and expeditiously winding down the affairs of the former redevelopment agencies.

On June 27, 2012, the State Legislature passed and the Governor signed Assembly Bill No. 1484 ("AB 1484", Chapter 26, Statutes 2012) as a trailer bill for the Fiscal Year 2012-2013 State budget package. Although the primary purpose of AB 1484 was to make technical and substantive amendments to the Dissolution Act based on issues that have arisen in the implementation of the Dissolution Act, AB 1484 imposes additional statutory provisions relating to the activities and obligations of successor agencies and to the wind-down process of former redevelopment agencies (including the preparation of a due diligence review) (reference hereinafter to the Dissolution Act means AB 26 as amended by AB 1484).

Pursuant to the Dissolution Act at California Health and Safety Code ("Health and Safety Code") Section 34179.5(a), in furtherance of Health and Safety Code Section 34177(d), the Imperial Beach Redevelopment Agency Successor Agency ("Successor Agency") shall employ a

licensed accountant, approved by the San Diego County Auditor-Controller and with experience and expertise in local government accounting, to conduct a due diligence review ("Due Diligence Review") to determine the unobligated balances available for transfer to taxing entities. As an alternative, an audit provided by the San Diego County Auditor-Controller that provides the information required by Section 34179.5 may be used to comply with such Section with the concurrence of the Oversight Board ("Oversight Board") of the Successor Agency. The Successor Agency selected, and the County Auditor-Controller approved, the company of Lance, Soll, Lunghard, LLP to conduct the Due Diligence Review.

As required by the Dissolution Act at Health and Safety Code Section 34179.6(a), by October 1, 2012, the Successor Agency provided to the Oversight Board, the San Diego County Auditor-Controller, the State Controller, and the State Department of Finance (DOF) the results of the Due Diligence Review conducted pursuant to Section 34179.5 for the Low and Moderate Income Housing Fund ("LMIHF") which specifically identified the amount of cash and cash equivalents determined to be available for allocation to affected taxing entities. As indicated in the Due Diligence Review for the LMIHF, this amount was determined to be zero. On October 2, 2012, a Public Comment Session for the Due Diligence Review of the LMIHF (the "Housing DDR") was held by the Oversight Board as required by Health and Safety Code Section 34179.6(b). Subsequently, on October 11, 2012, pursuant to Health and Safety Code Section 34179.6(c), certain matters pertaining to the Housing DDR were approved by the Oversight Board, by Resolution No. OB-12-11 (see Attachment 3). On November 7, 2012, Successor Agency staff received a letter from the DOF stating that the DOF made no adjustments to the Housing DDR as approved by the Oversight Board and, therefore, determined, "that there are no unencumbered LMIHF balances available for distribution" (see Attachment 4).

Pursuant to the Dissolution Act at Health and Safety Code Section 34179.6(a), by December 15, 2012, the Successor Agency must provide to the Oversight Board, the San Diego County Auditor-Controller, the State Controller, and the DOF the results of the Due Diligence Review conducted pursuant to Section 34179.5 **for all of the other fund and account balances** (other than the LMIHF) and specifically the amount of cash and cash equivalents determined to be available for allocation to affected taxing entities. Similar to the Housing DDR, and pursuant to Health and Safety Code Section 34179.6(b) of the Dissolution Act, upon receipt of this Due Diligence Review (the "Non-Housing DDR"), the Oversight Board shall convene a public comment session to take place at least five business days before the Oversight Board holds the approval vote specified in Section 34179.6(c) of the Dissolution Act. The Oversight Board must also consider any opinions offered by the San Diego County Auditor-Controller on the Non-Housing DDR results submitted by the Successor Agency. Pursuant to the Health and Safety Code Section 34179.6(c) of the Dissolution Act, by January 15, 2013, the Oversight Board shall review, approve, and transmit to the DOF and the San Diego County Auditor-Controller the determination of the Non-Housing DDR and, specifically, the amount of cash and cash equivalents that are available for disbursement to affected taxing entities. The Oversight Board may adjust any amount provided in the Non-Housing DDR to reflect additional information and analysis. The review and approval by the Oversight Board must occur in public sessions.

#### **DISCUSSION:**

As noted above, the Successor Agency retained the services of a licensed accountant, Lance Soll & Lunghard, LLP, to conduct both the Housing DDR and Non-Housing DDR to determine the unobligated balances available for transfer to taxing entities in furtherance of Health and Safety Code Section 34177(d). As required by Health and Safety Code Section 34179.6(a), on December 7, 2012 (before the December 15, 2012 statutory deadline), the Successor Agency submitted electronically to the Oversight Board, the San Diego County Auditor-Controller, the State Controller, and the DOF the results of the Non-Housing DDR conducted pursuant to Health and Safety Code Section 34179.5 and specifically the amount of cash and cash

equivalents determined to be available for allocation to taxing entities (see Attachments 1 and 2). As indicated on Attachment B10 on Page 18 of the Non-Housing DDR, this amount is determined to be zero.

In accordance with Health and Safety Code Section 34179.6(b), this public meeting of the Oversight Board shall be deemed to constitute the Public Comment Session on the Non-Housing DDR conducted pursuant to Section 34179.5 and its results of the amount of cash and cash equivalents determined to be available for allocation to affected taxing entities. At this Oversight Board meeting at which the Public Comment Session will be convened, in addition to the receipt of any public comments received, the Oversight Board shall also consider any opinions offered by the San Diego County Auditor-Controller on the Non-Housing DDR results submitted by the Successor Agency. However, no specific action of the Oversight Board is requested at this particular meeting by the Successor Agency or statutorily required by the Dissolution Act.

At the second meeting of the Oversight Board, which shall occur no less than five business days after December 12, 2012, specific approvals will be requested by the Successor Agency as statutorily required by Health and Safety Code Section 34179.6(c). Specifically, and as stated above, the Oversight Board will be requested to review, approve, and transmit to the DOF and the San Diego County Auditor-Controller the determination of the amount of cash and cash equivalents that are available for disbursement to taxing entities as determined according to the method provided in Section 34179.5 in connection with the results of the Non-Housing DDR. The Oversight Board may adjust any amount provided in the Non-Housing DDR to reflect additional information and analysis. The Oversight Board may also request from the Successor Agency any materials it deems necessary to assist in its review and approval of their determination. Further, the Oversight Board shall be empowered to authorize the Successor Agency to retain certain assets or funds identified in the Due Diligence Review (identified by Section 34179.5(c)(5)(B)-(E)). With regard to this authorization, the Oversight Board shall identify to the DOF the amount of funds authorized for retention, the source of those funds, and the purposes for which those funds are being retained. Any Oversight Board determination and authorization to retain funds and assets shall be subject to the review and approval of the DOF.

In light of the results of the Non-Housing DDR conducted pursuant to Health and Safety Code Section 34179.5 and that the amount of cash and cash equivalents available for allocation to taxing entities has been determined to be zero, the Successor Agency does not have any specific comments or recommendations to the Oversight Board at this time in connection with the Oversight Board's exercise of its authority pursuant to Health and Safety Code Section 34179.6(c) to adjust an amount provided in the Non-Housing DDR. However, in accordance with Health and Safety Code Section 34179.6(c), the Oversight Board will be requested to confirm the retention of the restricted funds identified on Attachment B6 on Page 12 of the Non-Housing DDR.

In addition to the above, for any reason, including without limitation the extent to which there are any modifications made by the DOF or other party to the amounts provided in the Non-Housing DDR and/or the amount of cash or cash equivalents determined available for allocation to taxing entities, the Successor Agency does not waive any legal or equitable rights that it may have to make any comments or recommendations to the Oversight Board and/or other entity in connection with such modifications to the Non-Housing DDR, and to take any other actions it deems appropriate and expressly reserves any and all rights, privileges, and defenses available under law and equity.

#### **ENVIRONMENTAL DETERMINATION:**

The activity of receiving the Non-Housing DDR and conducting the Public Comment Session is



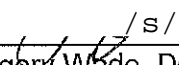
not a "project" for purposes of the California Environmental Quality Act ("CEQA"), as that term is defined by CEQA Guidelines Section 15378, because the activity is an organizational or administrative activity that will not result in a direct or indirect physical change in the environment, per Section 15378(b)(5) of the CEQA Guidelines.

**FISCAL IMPACT:**

There is no fiscal impact as a result of the activity.

**DIRECTOR'S RECOMMENDATION:**

Staff does not have any specific recommendations to the Oversight Board at this time other than to receive staff's report and any public comments on the Non-Housing DDR.

 /s/  
\_\_\_\_\_  
Gregory Wade, Deputy Director

**Attachments:**

1. Non-Housing DDR
2. Letter to the Oversight Board and State and County representatives dated December 7, 2012 transmitting the Non-Housing DDR
3. Resolution No. OB-12-11
4. DOF Letter Dated November 7, 2012



# County of San Diego

DONALD F. STEUER  
CHIEF FINANCIAL OFFICER  
(619) 531-5413  
FAX (619) 531-5219

AUDITOR AND CONTROLLER  
1600 PACIFIC HIGHWAY STE 166, SAN DIEGO, CALIFORNIA 92101-2478

TRACY M. SANDOVAL  
ASST. CHIEF FINANCIAL OFFICER/  
AUDITOR & CONTROLLER  
(619) 531-5413  
FAX (619) 531-5219

August 28, 2012

Gregory Wade, Deputy Director  
Imperial Beach Redevelopment Successor Agency  
825 Imperial Beach Boulevard  
Imperial Beach, CA 91932

Dear Mr. Wade:

## APPROVAL OF LANCE, SOLL & LUNGHARD FOR DUE DILIGENCE REVIEW

I hereby approve your successor agency's request to hire Lance, Soll & Lunghard, LLP to conduct the due diligence review of your agency's funds as required by Health and Safety Code Section 34179.5 (a).

If you have questions, please contact Juan Perez or Nenette De Jesus of Property Tax Services at (619) 531-5399.

Sincerely,

A handwritten signature in black ink, appearing to read "Tracy M. Sandoval".

TRACY M. SANDOVAL  
Assistant Chief Financial Officer/Auditor and Controller

PTS:JP:ge



**Successor Agency of the Former  
Imperial Beach Redevelopment Agency**

**Due Diligence Review  
of the Other Redevelopment Agency Funds  
Pursuant to Sections 34179.5(c)(1) through 34179.5(c)(6)  
of Assembly Bill No. 1484 of 2012**

**Lance Soll & Lunghard, LLP**

Orange County  
Silicon Valley  
Temecula Valley

[www.lslcpas.com](http://www.lslcpas.com)

Successor Agency of the Former  
Imperial Beach Redevelopment Agency

Due Diligence Review  
of the Other Redevelopment Agency Funds  
Pursuant to Sections 34179.5(c)(1) through 34179.5(c)(6)  
of Assembly Bill No. 1484 of 2012

- Brandon W. Burrows, CPA
- David E. Hale, CPA, CFP
- A Professional Corporation
- Donald G. Slater, CPA
- Richard K. Kikuchi, CPA
- Susan F. Matz, CPA
- Shelly K. Jackley, CPA
- Bryan S. Gruber, CPA
- Deborah A. Harper, CPA

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING  
AGREED-UPON PROCEDURES

To the Successor Agency of the  
Former Imperial Beach Redevelopment Agency  
City of Imperial Beach, California

We have performed the procedures enumerated in Attachment A for the Other Redevelopment Agency Funds, which were agreed to by the California State Controller's Office and the State of California Department of Finance (State Agencies) solely to assist you in ensuring that the dissolved redevelopment agency is complying with Assembly Bill 1484, Chapter 26, Section 17's amendment to health and safety code 34179.5. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Management of the successor agency is responsible for providing all the information obtained in performing these procedures. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representations regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

As stated above, the scope of this engagement was limited to performing the procedures identified in Attachment A, which specified the "List of Procedures for the Due Diligence Review" obtained from the California Department of Finance Website.

The results of the procedures performed are identified in Attachment B1 through B11.

We were not engaged to and did not conduct an audit, the objective of which would be the expression of a certified opinion as to the appropriateness of the results of the procedures performed. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to the Successor Agency.

This report is intended solely for the information and use of the Successor Agency Oversight Board, the Successor Agency and the applicable State Agencies, and is not intended to be, and should not be used by anyone other than these specified parties. This restriction is not intended to limit distribution of this report, which is a matter of public record.

*Lance, Soll & Lunghard, LLP*

Brea, California  
December 3, 2012

**List of Procedures for Due Diligence Review of the Other Redevelopment Agency Funds**

1. Obtain from the Successor Agency a listing of all assets that were transferred from the former redevelopment agency to the Successor Agency on February 1, 2012. Agree the amounts on this listing to account balances established in the accounting records of the Successor Agency. Identify in the Agreed-Upon Procedures (AUP) report the amount of the assets transferred to the Successor Agency as of that date.
2. If the State Controller's Office has completed its review of transfers required under both sections 34167.5 and 34178.8 and issued its report regarding such review, attach a copy of that report as an exhibit to the AUP report. If this has not yet occurred, perform the following procedures:
  - a. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the former redevelopment agency to the city, county, or city and county that formed the redevelopment agency for the period from January 1, 2011 through January 31, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.
  - b. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the Successor Agency to the city, county, or city and county that formed the redevelopment agency for the period from February 1, 2012 through June 30, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.
  - c. For each transfer, obtain the legal document that formed the basis for the enforceable obligation that required any transfer. Note in the AUP report the absence of any such legal document or the absence of language in the document that required the transfer.
3. If the State Controller's Office has completed its review of transfers required under both Sections 34167.5 and 34178.8 and issued its report regarding such review, attach a copy of that report as an exhibit to the AUP report. If this has not yet occurred, perform the following procedures:
  - a. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the former redevelopment agency to any other public agency or to private parties for the period from January 1, 2011 through January 31, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.
  - b. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the Successor Agency to any other public agency or private parties for the period from February 1, 2012 through June 30, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.
  - c. For each transfer, obtain the legal document that formed the basis for the enforceable obligation that required any transfer. Note in the AUP report the absence of any such legal document or the absence of language in the document that required the transfer.

**List of Procedures for Due Diligence Review for the Other Redevelopment Agency Funds (Continued)**

4. Perform the following procedures:
  - a. Obtain from the Successor Agency a summary of the financial transactions of the Redevelopment Agency and the Successor Agency in the format set forth in the attached schedule for the fiscal periods indicated in the schedule. For purposes of this summary, the financial transactions should be presented using the modified accrual basis of accounting. End of year balances for capital assets (in total) and long-term liabilities (in total) should be presented at the bottom of this summary schedule for information purposes.
  - b. Ascertain that for each period presented, the total of revenues, expenditures, and transfers accounts fully for the changes in equity from the previous fiscal period.
  - c. Compare amounts in the schedule relevant to the fiscal year ended June 30, 2010 to the state controller's report filed for the Redevelopment Agency for that period.
  - d. Compare amounts in the schedule for the other fiscal periods presented to account balances in the accounting records or other supporting schedules. Describe in the report the type of support provided for each fiscal period.
5. Obtain from the Successor Agency a listing of all assets of the Low and Moderate Income Housing Fund as of June 30, 2012 for the report that is due October 1, 2012 and a listing of all assets of all other funds of the Successor Agency as of June 30, 2012 (excluding the previously reported assets of the Low and Moderate Income Housing Fund) for the report that is due December 15, 2012. When this procedure is applied to the Low and Moderate Income Housing Fund, the schedule attached as an exhibit will include only those assets of the Low and Moderate Income Housing Fund that were held by the Successor Agency as of June 30, 2012 and will exclude all assets held by the entity that assumed the housing function previously performed by the former redevelopment agency. Agree the assets so listed to recorded balances reflected in the accounting records of the Successor Agency. The listing should be attached as an exhibit to the appropriate AUP report.
6. Obtain from the Successor Agency a listing of asset balances held on June 30, 2012 that are restricted for the following purposes:
  - a. Unspent bond proceeds:
    - i. Obtain the Successor Agency's computation of the restricted balances (e.g., total proceeds less eligible project expenditures, amounts set aside for debt service payments, etc.).
    - ii. Trace individual components of this computation to related account balances in the accounting records, or to other supporting documentation (specify in the AUP report a description of such documentation).
    - iii. Obtain from the Successor Agency a copy of the legal document that sets forth the restriction pertaining to these balances. Note in the AUP report the absence of language restricting the use of the balances that were identified by the Successor Agency as restricted.
  - b. Grant proceeds and program income that are restricted by third parties:
    - i. Obtain the Successor Agency's computation of the restricted balances (e.g., total proceeds less eligible project expenditures).
    - ii. Trace individual components of this computation to related account balances in the accounting records, or to other supporting documentation (specify in the AUP report a description of such documentation).

**List of Procedures for Due Diligence Review for the Other Redevelopment Agency Funds (Continued)**

- iii. Obtain from the Successor Agency a copy of the grant agreement that sets forth the restriction pertaining to these balances. Note in the AUP report the absence of language restricting the use of the balances that were identified by the Successor Agency as restricted.
  - c. Other assets considered to be legally restricted:
    - i. Obtain the Successor Agency's computation of the restricted balances (e.g., total proceeds less eligible project expenditures).
    - ii. Trace individual components of this computation to related account balances in the accounting records, or to other supporting documentation (specify in the AUP report a description of such documentation).
    - iii. Obtain from the Successor Agency a copy of the legal document that sets forth the restriction pertaining to these balances. Note in the AUP report the absence of language restricting the use of the balances that were identified by Successor the Agency as restricted.
  - d. Attach the above mentioned Successor Agency prepared schedule(s) as an exhibit to the AUP report. For each restriction identified on these schedules, indicate in the report the period of time for which the restrictions are in effect. If the restrictions are in effect until the related assets are expended for their intended purpose, this should be indicated in the report.
7. Perform the following:
- a. Obtain from the Successor Agency a listing of assets as of June 30, 2012 that are not liquid or otherwise available for distribution (such as capital assets, land held for resale, long-term receivables, etc.) and ascertain if the values are listed at either purchase cost (based on book value reflected in the accounting records of the Successor Agency) or market value as recently estimated by the Successor Agency.
  - b. If the assets listed at 7(A) are listed at purchase cost, trace the amounts to a previously audited financial statement (or to the accounting records of the Successor Agency) and note any differences.
  - c. For any differences noted in 7(B), inspect evidence of disposal of the asset and ascertain that the proceeds were deposited into the Successor Agency trust fund. If the differences are due to additions (this generally is not expected to occur), inspect the supporting documentation and note the circumstances.
  - d. If the assets listed at 7(A) are listed at recently estimated market value, inspect the evidence (if any) supporting the value and note the methodology used. If no evidence is available to support the value and/or methodology, note the lack of evidence.
8. Perform the following:
- a. If the Successor Agency believes that asset balances need to be retained to satisfy enforceable obligations, obtain from the Successor Agency an itemized schedule of asset balances (resources) as of June 30, 2012 that are dedicated or restricted for the funding of enforceable obligations and perform the following procedures. The schedule should identify the amount dedicated or restricted, the nature of the dedication or restriction, the specific enforceable obligation to which the dedication or restriction relates, and the language in the legal document that is associated with the enforceable obligation that specifies the dedication of existing asset balances toward payment of that obligation.
    - i. Compare all information on the schedule to the legal documents that form the basis for the dedication or restriction of the resource balance in question.



**List of Procedures for Due Diligence Review for the Other Redevelopment Agency Funds (Continued)**

- ii. Compare all current balances to the amounts reported in the accounting records of the Successor Agency or to an alternative computation.
  - iii. Compare the specified enforceable obligations to those that were included in the final Recognized Obligation Payment Schedule approved by the California Department of Finance.
  - iv. Attach as an exhibit to the report the listing obtained from the Successor Agency. Identify in the report any listed balances for which the Successor Agency was unable to provide appropriate restricting language in the legal document associated with the enforceable obligation.
- b. If the Successor Agency believes that future revenues together with balances dedicated or restricted to an enforceable obligation are insufficient to fund future obligation payments and thus retention of current balances is required, obtain from the Successor Agency a schedule of approved enforceable obligations that includes a projection of the annual spending requirements to satisfy each obligation and a projection of the annual revenues available to fund those requirements and perform the following procedures:
- i. Compare the enforceable obligations to those that were approved by the California Department of Finance. Procedures to accomplish this may include reviewing the letter from the California Department of Finance approving the Recognized Enforceable Obligation Payment Schedules for the six month period from January 1, 2012 through June 30, 2012 and for the six month period July 1, 2012 through December 31, 2012.
  - ii. Compare the forecasted annual spending requirements to the legal document supporting each enforceable obligation.
    - a. Obtain from the Successor Agency its assumptions relating to the forecasted annual spending requirements and disclose in the report major assumptions associated with the projections.
  - iii. For the forecasted annual revenues:
    - a. Obtain from the Successor Agency its assumptions for the forecasted annual revenues and disclose in the report major assumptions associated with the projections.
- c. If the Successor Agency believes that projected property tax revenues and other general purpose revenues to be received by the Successor Agency are insufficient to pay bond debt service payments (considering both the timing and amount of the related cash flows), obtain from the Successor Agency a schedule demonstrating this insufficiency and apply the following procedures to the information reflected in that schedule.
- i. Compare the timing and amounts of bond debt service payments to the related bond debt service schedules in the bond agreement.
  - ii. Obtain the assumptions for the forecasted property tax revenues and disclose major assumptions associated with the projections.
  - iii. Obtain the assumptions for the forecasted other general purpose revenues and disclose major assumptions associated with the projections.
- d. If procedures A, B, or C were performed, calculate the amount of current unrestricted balances necessary for retention in order to meet the enforceable obligations by performing the following procedures.

**List of Procedures for Due Diligence Review for the Other Redevelopment Agency Funds (Continued)**

- i. Combine the amount of identified current dedicated or restricted balances and the amount of forecasted annual revenues to arrive at the amount of total resources available to fund enforceable obligations.
  - ii. Reduce the amount of total resources available by the amount forecasted for the annual spending requirements. A negative result indicates the amount of current unrestricted balances that needs to be retained.
  - iii. Include the calculation in the AUP report.
9. If the Successor Agency believes that cash balances as of June 30, 2012 need to be retained to satisfy obligations on the Recognized Obligation Payment Schedule (ROPS) for the period of July 1, 2012 through June 30, 2013, obtain a copy of the final ROPS for the period of July 1, 2012 through December 31, 2012 and a copy of the final ROPS for the period January 1, 2013 through June 30, 2013. For each obligation listed on the ROPS, the Successor Agency should add columns identifying (1) any dollar amounts of existing cash that are needed to satisfy that obligation and (2) the Successor Agency's explanation as to why the Successor Agency believes that such balances are needed to satisfy the obligation. Include this schedule as an attachment to the AUP report.
10. Include (or present) a schedule detailing the computation of the Balance Available for Allocation to Affected Taxing Entities. Amounts included in the calculation should agree to the results of the procedures performed in each section above. The schedule should also include a deduction to recognize amounts already paid to the County Auditor-Controller on July 12, 2012 as directed by the California Department of Finance. The amount of this deduction presented should be agreed to evidence of payment. The attached example summary schedule may be considered for this purpose. Separate schedules should be completed for the Low and Moderate Income Housing Fund and for all other funds combined (excluding the Low and Moderate Income Housing Fund).
11. Obtain a representation letter from Successor Agency management acknowledging their responsibility for the data provided to the practitioner and the data presented in the report or in any attachments to the report. Included in the representations should be an acknowledgment that management is not aware of any transfers (as defined by Section 34179.5) from either the former redevelopment agency or the Successor Agency to other parties for the period from January 1, 2011 through June 30, 2012 that have not been properly identified in the AUP report and its related exhibits. Management's refusal to sign the representation letter should be noted in the AUP report as required by attestation standards.

Procedure 1

ATTACHMENT B1

List of Assets Transferred from the Former Redevelopment Agency to the Successor Agency

Other Redevelopment Agency Funds

As of February 1, 2012

Asset	Balance at 2/1/2012
Cash and Investments	\$ 807,749
Cash with Fiscal Agent	5,830,405
Account Receivables	6,845
Land Held for Resale	5,760,000
Total Assets transferred:	\$ 12,404,999

Procedure 2

ATTACHMENT B2

Listing of Transfers (Excluding Payments for Goods and Services) to the City  
Other Redevelopment Agency Funds  
For the Period from January 1, 2011 through June 30, 2012

Describe Purpose of Transfer	Enforceable Obligation (EO)/ Other Legal Requirement (LR)	Amount	Legal Documentation Obtained? (Y/N)	
<u>From former Redevelopment Agency to City for January 1, 2011 through January 31, 2012</u>				
2010 Tax-exempt bond proceeds	LR	\$ 11,400,000	N	a
	Sub-total:	<u>11,400,000</u>		
<u>From Successor Agency to City for February 1, 2012 through June 30, 2012</u>				
No transfers were made to the City during this time period or they were diminimus.				
Total Transfers to City for 1/1/2011 through 6/30/2012:		<u>\$ 11,400,000</u>		

<sup>∞</sup> a) The State Controller's RDA Asset Transfer Review identified these as unallowable assets . See Attachment C.

Procedure 3

ATTACHMENT B3

**Listing of Transfers (Excluding Payments for Goods and Services) to Other Public Agencies or Private Parties  
Other Redevelopment Agency Funds  
For the Period from January 1, 2011 through June 30, 2012**

<u>Describe Purpose of Transfer</u>	<u>Enforceable Obligation (EO)/ Other Legal Requirement (LR)</u>	<u>Amount</u>	<u>Legal Documentation Obtained? (Y/N)</u>
<b><u>From former Redevelopment Agency to other public agencies or private parties for January 1, 2011 through January 31, 2012</u></b>			
2003 Tax Allocation Bond, Series A - Interest Payment to Trustee	EO	\$ 551,164	Y
2003 Tax Allocation Bond, Series A - Principal Payment to Trustee	EO	450,000	Y
2010 Tax Allocation Bond - Interest Payment to Trustee	EO	563,939	Y
2003 Tax Allocation Bond, Series A - Interest Payment to Trustee	EO	541,602	Y
2010 Tax Allocation Bond - Interest Payment to Trustee	EO	525,953	Y
	<b>Sub-total:</b>	<u>2,632,658</u>	
<b><u>From Successor Agency to other public agencies or private parties for February 1, 2012 through June 30, 2012</u></b>			
2003 Tax Allocation Bond, Series A - Principal Payment to Trustee	EO	470,000	Y
2003 Tax Allocation Bond, Series A - Interest Payment to Trustee	EO	541,602	Y
2010 Tax Allocation Bond - Interest Payment to Trustee	EO	525,953	Y
	<b>Sub-total:</b>	<u>1,537,555</u>	
<b>Total Transfers to other public agencies or private parties for 1/1/2011 through 6/30/2012:</b>		<b>\$ <u>4,170,213</u></b>	

Procedure 4  
Summary of the Financial Transactions of Redevelopment Agency and Successor Agency  
All Funds  
Per schedule attached to List of Procedures for Due Diligence Review

ATTACHMENT B4

	Redevelopment Agency 12 Months Ended 6/30/2010	Redevelopment Agency 12 Months Ended 6/30/2011	Redevelopment Agency 7 Months Ended 1/31/2012	Successor Agency 5 Months Ended 6/30/2012
<b>Assets (modified accrual basis)</b>				
Cash and Investments	\$ 11,531,550	\$ 2,692,229	\$ 1,679,912	\$ 1,824,975
Cash and Investments with Trustee	1,555,617	6,355,946	5,830,406	5,304,483
Tax Increment Receivable	138,563	107,314	-	
Accounts Receivable	4,227	3,095	6,845	4,345
Loans Receivable	3,261,625	3,353,203	3,420,629	
Land Held for Resale	11,618,972	5,760,000	5,760,000	17,048,282
Other Assets	2,945	-	-	
<b>Total Assets</b>	<b>\$ 28,113,499</b>	<b>\$ 18,271,787</b>	<b>\$ 16,697,792</b>	<b>\$ 24,182,085</b>
<b>Liabilities (modified accrual basis)</b>				
Accounts Payable	\$ 1,226,506	\$ 1,563,656	\$ 1,368,685	\$ 398,130
Due to City	-	2,076,339	-	1,463,779
Deferred revenue	214,694	305,998	359,566	-
<b>Total Liabilities</b>	<b>1,441,200</b>	<b>3,945,993</b>	<b>1,728,251</b>	<b>1,861,909</b>
<b>Equity</b>	<b>26,672,299</b>	<b>14,325,794</b>	<b>14,969,541</b>	<b>22,320,176</b>
<b>Total Liabilities + Equity</b>	<b>\$ 28,113,499</b>	<b>\$ 18,271,787</b>	<b>\$ 16,697,792</b>	<b>\$ 24,182,085</b>
<b>Total Revenues:</b>	<b>\$ 7,728,033</b>	<b>\$ 28,675,159</b>	<b>\$ 7,697,932</b>	<b>\$ 10,408,909</b>
<b>Total Expenditures:</b>	<b>(10,051,261)</b>	<b>(41,021,664)</b>	<b>(7,054,185)</b>	<b>(10,179,904)</b>
<b>Total Transfers:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22,091,171</b>
<b>Net change in equity</b>	<b>(2,323,228)</b>	<b>(12,346,505)</b>	<b>643,747</b>	<b>22,320,176</b>
<b>Beginning Equity:</b>	<b>28,995,527</b>	<b>26,672,299</b>	<b>14,325,794</b>	<b>-</b>
<b>Ending Equity:</b>	<b>\$ 26,672,299</b>	<b>\$ 14,325,794</b>	<b>\$ 14,969,541</b>	<b>\$ 22,320,176</b>
<b>Other Information (show year end balances for all four periods presented):</b>				
Capital assets as of end of year	\$ -	\$ -	\$ -	\$ -
Long-term debt as of end of year	\$ 23,236,997	\$ 44,401,405	\$ 44,309,530	\$ 43,788,100

Procedure 5  
Listing of All Assets  
Other Redevelopment Agency Funds  
As of June 30, 2012

ATTACHMENT B5

Assets			Amount	
Cash				
	301-101.00-00	Equity in Pooled Cash	\$ 11,186	
	302-101.00-01	Equity in Pooled Cash	433,903	
	405-101.00-01	Equity in Pooled Cash	(783,729)	
	406-101.00-01	Equity in Pooled Cash	7	
	408-101.00-01	Equity in Pooled Cash	(8,575)	
	409-101.00-01	Equity in Pooled Cash	(121,893)	
	301-103.10-01	Investments - T Bill/Note GASB 31 Adjustment	(852)	
	302-103.10-01	Investments - T Bill/Note GASB 31 Adjustment	(1,064)	
	405-103.10-01	Investments - T Bill/Note GASB 31 Adjustment	(1,850)	
	408-103.10-01	Investments - T Bill/Note GASB 31 Adjustment	(21)	
	409-103.10-01	Investments - T Bill/Note GASB 31 Adjustment	(292)	
		TOTAL CASH:		\$ (473,180)
Cash with fiscal agent				
	301-106.03-00	Other Checking Account Reserve Account	1,555,575	
	301-106.04-00	Other Checking Account Reserve - 2010 Bonds	1,917,974	
	301-108.02-00	Cash with FA Wells FB Interest Account	1	
	301-108.03-00	Cash with FA Wells FB Principal Account	2	
	301-108.05-00	Cash with FA Wells FB Cap. Interest - 2010 Bonds	556,427	
	301-108.06-00	Cash with FA Wells FB Debt Service Fund	179	
	409-106.06-00	Other Checking Account Project Fund	1,274,325	
		TOTAL CASH WITH FISCAL AGENT:		5,304,483
Accounts Receivable				
	405-121.00-00	Account Receivables	4,345	
		TOTAL ACCOUNTS RECEIVABLE:		4,345
Land Held for Resale				
	405-171.00-00	Land Held for Resale - Palm Ave	7,957,699	
	408-171.00-00	Land Held for Resale - Palm Ave	3,330,582	
	408-171.00-01	Land Held for Resale - Seacoast Inn	3,000,000	
	409-171.00-00	Land Held for Resale - Seacoast Inn	2,760,000	
		TOTAL LAND HELD FOR RESALE:		17,048,281
		TOTAL ASSETS AT 6/30/2012:	\$	21,883,929

Procedure 6  
Listing of Assets that are Restricted  
Other Redevelopment Agency Funds  
As of June 30, 2012

ATTACHMENT B6

Item #	Description	Documentation Referenced	Amount	Purpose	Legal Documentation Obtained? (Y/N)
1	Cash with fiscal Agent				
	a) 301-106.03-00 Reserve Account for 2003 TARB Series A	Trustee Statement	\$ 1,555,575	Held in trust by fiduciary per bond restrictions	Y
	b) 301-106.04-00 Reserve for 2010 TAB	Trustee Statement	1,917,974	Held in trust by fiduciary per bond restrictions	Y
	e) 301-108.05-00 Capital Interest for 2010 TAB	Trustee Statement	556,427	Held in trust by fiduciary per bond restrictions	Y
	g) 409-106.06-00 Project Fund for 2010 TAB	Trustee Statement	1,274,325	Held in trust by fiduciary per bond restrictions	Y
2	Unspent bond proceeds				
	a) 2010 TAB unspent bond proceeds	Client's Reconciliation	11,400,000	Various projects in the Project Area	Y a
			<b>TOTAL: \$ 16,704,301</b>		

**Footnote:**

- a) Tax exempt bonds are expected to be expended within 3 years of issuance. Proceeds were moved to the Capital Projects Fund to meet the bond certificate schedule. Specific projects were named in the bond documents to assure investors that these projects would turnaround the falling assessed value in the 3 previous years. Imperial Beach staff placed the bond proceed projects on the amended EOPS and the first ROPS for approval by the Successor Agency, Oversight Board, County Auditor, State Controller, and the State Department of Finance. The bond documents were sent to the State Department of Finance for its review and approval in March 2012. The State Department of Finance (DOF) did not object to any of the obligations listed on the first ROPS (or second ROPS) as specifically acknowledged in the DOF's letter dated May 29, 2012 to the SA and the DOF, under oath, declared that all ROPS items in connection with both ROPS 1 and ROPS 2 were approved for Imperial Beach. The projects for which the bond proceeds are spent are listed in the documents relating to the bond issuance as projects funded by the bond proceeds and as approved on the first ROPS, and such documents constitute enforceable obligations of the former RDA and now Successor Agency. In addition, the approval of DOF confirms the expenditure of the bond proceeds as enforceable obligations included on ROPS 1.



Procedure 7

ATTACHMENT B7

**Listing of Assets That Are Not Liquid or Otherwise Available for Distribution  
Other Redevelopment Agency Funds  
As of June 30, 2012**

Item #	Description	Reference	Amount	Value Method	Variance Noted? (Y/N)
1	Land Held for Resale				
	a) 741-849 Palm Avenue	Final Settlement Statement	\$ 9,679,454	Cost	N
	b) 735 Palm Avenue	Commercial Property Purchase Agreement & Escrow Closing Statement	1,608,827	Cost	N
	c) Seacoast Inn	Seacoast Inn DDA	5,760,000	Cost	N
TOTAL RESTRICTIONS OF NON-CASH ITEMS			<u>\$ 17,048,281</u>		

**Procedure 8a**

**ATTACHMENT B8a**

**Listing of Assets (resources) that are dedicated or restricted for the funding of enforceable obligations  
Other Redevelopment Agency Funds**

**As of June 30, 2012**

---

**THERE ARE NO REMAINING ASSET BALANCES TO BE ANALYZED UNDER PROCEDURE 8**

Procedure 8b

Listing of Assets (resources) that need to be retained due to insufficient funding for the funding of enforceable obligations

Other Redevelopment Agency Funds

As of June 30, 2012

---

ATTACHMENT B8b

THERE ARE NO REMAINING ASSET BALANCES TO BE ANALYZED UNDER PROCEDURE 8

Procedure 8c

ATTACHMENT B8c

Listing of Assets (resources) that need to be retained due to projected insufficient property tax revenues for bond debt payments  
Other Redevelopment Agency Funds

As of June 30, 2012

---

THERE ARE NO REMAINING ASSET BALANCES TO BE ANALYZED UNDER PROCEDURE 8

Procedure 9

ATTACHMENT B9

Listing of Assets (resources) that need to be retained due to projected insufficient property tax revenues for future ROPS

Other Redevelopment Agency Funds

As of June 30, 2012

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THERE ARE NO REMAINING ASSET BALANCES TO BE ANALYZED UNDER PROCEDURE 9

Procedure 10

ATTACHMENT B10

**Summary of Other Redevelopment Agency Funds Available for Allocation to Affected Taxing Entities**

Total amount of assets held by the successor agency as of June 30, 2012 (procedure 5)	\$	21,883,929
Add the amount of any assets transferred to the city or other parties for which an enforceable obligation with a third party requiring such transfer and obligating the use of the transferred assets did not exist (procedures 2 and 3)		
	To City	11,400,000
	To other parties	-
Less assets legally restricted for uses specified by debt covenants, grant restrictions, or restrictions imposed by other governments (procedure 6)		(16,704,301)
Less assets that are not cash or cash equivalents (e.g., physical assets) - (procedure 7)		(17,048,281)
Less balances that are legally restricted for the funding of an enforceable obligation (net of projected annual revenues available to fund those obligations) - (procedure 8)		-
Less balances needed to satisfy ROPS for the 2012-13 fiscal year (procedure 9)		-
Less the amount of payments made on July 12, 2012 to the County Auditor-Controller as directed by the California Department of Finance		<u>(372,115)</u>
Amount to be remitted to county for disbursement to taxing entities	\$	<u><u>(840,768)</u></u> a

a) Amount to be remitted to County for disbursement to taxing entities is zero.



## City of Imperial Beach, California

OFFICE OF THE CITY MANAGER

825 Imperial Beach Blvd., Imperial Beach, CA 91932 Tel: (619) 423-8303 Fax: (619) 628-1395

December 3, 2012

Lance, Soll & Lunghard, LLP  
 Certified Public Accountants  
 203 North Brea Boulevard, Suite 203  
 Brea, CA 92821-4056

We are providing this letter in connection with your performance of the Due Diligence Review of the Other Redevelopment Agency Funds in accordance with Assembly Bill 1484 for the Successor Agency of the former Imperial Beach Redevelopment Agency. We confirm that we are responsible for the complete and fair presentation of the previously mentioned review in conformity with the listed procedures of the Assembly Bill 1484 Due Diligence Review as published by the State Department of Finance on August 27, 2012. We are also responsible for adopting sound accounting policies, establishing and maintaining effective internal control over financial reporting, and preventing and detecting fraud.

We confirm, to the best of our knowledge and belief, as of the date of this letter, the following representations made to you during your review:

1. We have made available to you:
  - a. In accordance with 34179.5(c)(1), the dollar value of all assets transferred from the former redevelopment agency to the successor agency on or about February 1, 2012.
  - b. In accordance with 34179.5(c)(2), the dollar value of all assets and cash and cash equivalents transferred after January 1, 2011, through June 30, 2012, by the redevelopment agency or the successor agency to the city, county, or city and county that formed the redevelopment agency and the purpose of each transfer. We have also provided the documentation of any enforceable obligation that required the transfer.
  - c. In accordance with 34179.5(c)(3), the dollar value of any cash or cash equivalents transferred after January 1, 2011, through June 30, 2012, by the redevelopment agency or the successor agency to any other public agency or private party and the purpose of each transfer. We have also provided documentation of any enforceable obligation that required the transfer.
  - d. In accordance with 34179.5(c)(4), the expenditure and revenue accounting information and have identified transfers and funding sources for the 2010-11 and 2011-12 fiscal years that reconciles balances, assets, and liabilities of the successor agency on June 30, 2012 to those reported to the Controller for the 2009-10 fiscal year.
  - e. In accordance with 34179.5(c)(5), a listing of all assets of the Low and Moderate Income Housing Fund as of June 30, 2012 for the report that is due October 1, 2012 and a listing of all assets of all other funds of the Successor Agency as of June 30, 2012 (excluding the previously reported assets of the Low and Moderate Income Housing Fund) for the report that is due December 15, 2012.

- f. In accordance with 34179.5(c)(5)(B), an itemized statement listing any amounts that are legally restricted as to purpose and cannot be provided to taxing entities. This could include the proceeds of any bonds, grant funds, or funds provided by other governmental entities that place conditions on their use.
  - g. In accordance with 34179.5(c)(5)(C), an itemized statement of the values of any assets that are not cash or cash equivalents. This may include physical assets, land, records, and equipment. For the purpose of this accounting, physical assets may be valued at purchase cost or at any recently estimated market value.
  - h. In accordance with 34179.5(c)(5)(D), an itemized listing of any current balances that are legally or contractually dedicated or restricted for the funding of an enforceable obligation that identifies the nature of the dedication or restriction and the specific enforceable obligation. In addition, we have provided a listing of all approved enforceable obligations that includes a projection of annual spending requirements to satisfy each obligation and a projection of annual revenues available to fund those requirements.
  - i. In accordance with 34179.5(c)(5)(E), an itemized list and analysis of any amounts of current balances that are needed to satisfy obligations that will be placed on the Recognized Obligation Payment Schedules for the current fiscal year.
2. There are no material transactions that have not been properly recorded in the accounting records underlying this Due Diligence Review.
3. Management is not aware of any transfers (as defined by Section 34179.5) from either the former Redevelopment Agency or the Successor Agency to the City, other agencies or private parties for the period January 1, 2011 through June 30, 2012 that have not been identified in this report and related exhibits.
4. We acknowledge our responsibility for the design and implementation of programs and controls to prevent and detect fraud.
5. We have no knowledge of any fraud or suspected fraud affecting this Due Diligence Review involving:
  - a. Management,
  - b. Employees who have significant roles in internal control, or
  - c. Others where the fraud could have a material effect on this Due Diligence Review.
6. We have no knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, analysts, regulators, or others.
7. When applicable, we have taken timely and appropriate steps to remedy fraud, illegal acts, violations of provisions of contracts or grant agreements, or abuse that you have reported to us.
8. We have identified to you any previous audits, attestation engagements, performance audits, state controller reports or other studies related to the objectives of this Due Diligence Review and whether related recommendations have been implemented.
9. The Successor Agency of the former Imperial Beach Redevelopment Agency has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or fund equity.
10. We are responsible for compliance with the laws, regulations, provisions of contracts and grant agreements applicable to us, and all provisions related to the dissolution of the Redevelopment Agency in accordance with AB 1X 26 and AB 1484.



11. There are no known violations of:

- a. Laws and regulations,
- b. Provisions of contracts and grant agreements,
- c. Provisions related to the dissolution of the Redevelopment Agency in AB 1X 26 and AB 1484 whose effects should be considered for disclosure in this Due Diligence Review.

12. All bank accounts and investments associated with this review have been properly reflected in the general ledger accounting records.

13. No events, including instances of noncompliance, have occurred subsequent to the performance of this Due Diligence Review and through the date of this letter that would require adjustment to or disclosure in the aforementioned Due Diligence Review.

Signed: Michael McDaniel

Signed: Gary Brown

Title: Special Projects Manager

Title: City Manager

AGENCY: IMPERIAL BEACH  
 RDA ASSET TRANSFER REVIEW  
 EXIT CONFERENCE  
 JANUARY 1, 2011 THROUGH JANUARY 31, 2012  
 S12-RDA-914

W/P NO.  
 PREPARED BY:  
 DATE:

**OBJECTIVE:** The objective of the review is to determine the community's legislative body and the dissolved redevelopment agency's compliance with Assembly Bill X1 26 regarding the disposition of the former redevelopment agency's assets.

Health and Safety Code section 34167.5 states, in part:

Commencing on the effective date of the act adding this part, the Controller shall review the activities of redevelopment agencies in the state to determine whether an asset transfer has occurred after January 1, 2011, between the city or county, or city and county that created a redevelopment agency or any other public agency, and the redevelopment agency. If such an asset transfer did occur during that period and the government agency that received the assets is not contractually committed to a third party for the expenditure or encumbrance of those assets, to the extent not prohibited by state and federal law, the Controller shall order the available assets to be returned to the redevelopment agency or, on or after October 1, 2011, to the successor agency, if a successor agency is established pursuant to Part 1.85 (commencing with Section 34170). Upon receiving such an order from the Controller, an affected local agency shall, as soon as practicable, reverse the transfer and return the applicable assets to the redevelopment agency or, on or after October 1, 2011, to the successor agency, if a successor agency is established pursuant to Part 1.85 (commencing with Section 34170).

**SCOPE:** The scope of the review generally covered the period January 1, 2011, through January 31, 2012. We reviewed plans, minutes, agreements, loans, and other documents, etc. outside this time period, when necessary, to help us ascertain the validity of any asset transfers.

**FINDINGS:**

- The Imperial Beach RDA transferred \$22,688,281 in unallowable assets to the City of Imperial Beach.  
 The assets consisted of \$11,288,281 in real property located at 9<sup>th</sup> and Palm and \$11,400,000 in tax-except bond proceeds.

(Criteria: AB 1484 Section: 34163 (f) ...an agency shall not have the authority to, and shall not, do any of the following: ... Transfer, assign, vest, or delegate any of its assets, funds, rights, powers, ownership interests, or obligations for any purpose to an entity, including, but not limited to, the community, the legislative body, another member of a joint powers authority, a trustee, a receiver, a partner entity, another agency, a nonprofit corporation, a contractual counterparty, a public body, the state...)

AGENCY: IMPERIAL BEACH  
RDA ASSET TRANSFER REVIEW  
EXIT CONFERENCE  
JANUARY 1, 2011 THROUGH JANUARY 31, 2012  
S12-RDA-914

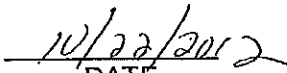
W/P NO.  
PREPARED BY:  
DATE:

QUESTIONS/DISCUSSION (SEE ATTACHMENT A if applicable)

ACKNOWLEDGEMENT OF DISCUSSION

The above items were discussed and are understood. Signing does not indicate concurrence.

  
\_\_\_\_\_  
AGENCY REPRESENTATIVE

  
\_\_\_\_\_  
DATE

RESOLUTION NO. OB-12-03

**RESOLUTION OF THE OVERSIGHT BOARD OF THE IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY APPROVING THE AMENDED RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE PERIOD ENDING JUNE 30, 2012**

**WHEREAS**, the Imperial Beach Redevelopment Agency ("Redevelopment Agency") was a redevelopment agency in the City of Imperial Beach ("City"), duly created pursuant to the California Community Redevelopment Law (Part 1 (commencing with Section 33000) of Division 24 of the California Health and Safety Code) ("Redevelopment Law"); and

**WHEREAS**, the City Council has adopted redevelopment plans for Imperial Beach's redevelopment project areas, and from time to time, the City Council has amended such redevelopment plans; and

**WHEREAS**, the Redevelopment Agency was responsible for the administration of redevelopment activities within the City; and

**WHEREAS**, AB x1 26 ("AB 26") and AB x1 27 ("AB 27") were signed by the Governor of California on June 28, 2011, making certain changes to the Redevelopment Law, including adding Part 1.8 (commencing with Section 34161) and Part 1.85 (commencing with Section 34170) ("Part 1.85") to Division 24 of the California Health and Safety Code ("Health and Safety Code"); and

**WHEREAS**, the California Redevelopment Association and League of California Cities filed a lawsuit in the Supreme Court of California (*California Redevelopment Association, et al. v. Matosantos, et al.*, Case No. S194861) alleging that AB 26 and AB 27 were unconstitutional; and

**WHEREAS**, on December 29, 2011, the Supreme Court issued its opinion in the *Matosantos* case largely upholding as constitutional AB 26, invalidating as unconstitutional AB 27, and holding that AB 26 may be severed from AB 27 and enforced independently; and

**WHEREAS**, the Supreme Court generally reformed and revised the effective dates and deadlines for performance of obligations under Health and Safety Code Part 1.85 of AB 26 arising before May 1, 2012 to take effect four months later, while leaving the effective dates or deadlines for performance of obligations under Health and Safety Code Part 1.8 of AB 26 unchanged; and

**WHEREAS**, as a result of the Supreme Court's decision, and on February 1, 2012, all California redevelopment agencies were dissolved, successor agencies were established as successor agencies to the former redevelopment agencies pursuant to Health and Safety Code Section 34173, and successor agencies are tasked with paying, performing and enforcing the enforceable obligations of the former redevelopment agencies and winding down the affairs of the former redevelopment agencies; and

**WHEREAS**, the City Council of the City adopted Resolution No. 2012-7136 on January 5, 2012, pursuant to Part 1.85, electing for the City to serve as the successor agency to the Redevelopment Agency upon the dissolution of the Redevelopment Agency under AB 26 ("Successor Agency"); and

**WHEREAS**, on February 15, 2012, the Board of Directors of the Successor Agency, adopted Resolution No. SA-12-01 naming itself the "Imperial Beach Redevelopment Agency Successor Agency," the sole name by which it will exercise its powers and fulfill its duties pursuant to Part 1.85 of AB 26, and establishing itself as a separate legal entity with rules and

regulations that will apply to the governance and operations of the Successor Agency; and

**WHEREAS**, AB 26 requires that there shall be an oversight board ("Oversight Board") established for each of the former California redevelopment agency's successor agencies to supervise the activities of the Successor Agency and the wind down of the dissolved Redevelopment Agency's affairs pursuant to AB 26; and

**WHEREAS**, on April 11, 2012, the first meeting of the Oversight Board of the Imperial Beach Redevelopment Agency Successor Agency took place and Oversight Board Members were duly sworn into office.

**WHEREAS**, pursuant to Health and Safety Code Section 34177(l)(2)(A) of AB 26, the Successor Agency was required to prepare its draft Recognized Obligation Payment Schedule ("ROPS") by March 1, 2012; and

**WHEREAS**, in accordance with Health and Safety Code Section 34177(l)(2)(A) of AB 26, the Successor Agency adopted the draft ROPS on February 15, 2012 by Resolution No. SA-12-02, for the period of January 1, 2012 through June 30, 2012; and

**WHEREAS**, after the Successor Agency's adoption of the draft ROPS, the San Diego County Auditor-Controller requested that the draft ROPS cover the period of October 1, 2011 through June 30, 2012; and

**WHEREAS**, to accommodate the request of the County Auditor-Controller, the Executive Director of the Successor Agency modified the draft ROPS, pursuant to administrative authority provided to the Executive Director by the Successor Agency as set forth in Resolution No. SA-12-02, and included the period of October 1, 2011 through December 31, 2011 to the draft ROPS; and

**WHEREAS**, pursuant to Health and Safety Code Section 34177(l)(3) of AB 26, the first ROPS shall be submitted to the State of California Controller's Office and the State of California Department of Finance by April 15, 2012 for the period of January 1, 2012 through June 30, 2012; and

**WHEREAS**, due to ambiguity in timing and apparent conflict in dates set forth in AB 26 for the certification of the ROPS by the County, the approval of the ROPS by the Oversight Board, and the submission of the first ROPS to the State Controller's Office and the Department of Finance, staff of the Successor Agency has determined that the draft ROPS should be amended as the first ROPS for submission to the State Controller's Office and the Department of Finance by April 15, 2012 and revised to reflect the time period of January 1, 2012 through June 30, 2012 as required by Health and Safety Code Section 34177(l)(3) of AB 26. In addition, staff has determined that certain information relating to the recognized obligations set forth in the ROPS must be added to and clarified in the ROPS; and

**WHEREAS**, the amended ROPS for the period of January 31, 2012 through June 30, 2012 is attached to this Resolution as Exhibit "A" and is substantively the same as the previously approved Successor Agency draft ROPS with the following exceptions: (1) the exclusion of October 1, 2011 through December 31, 2011; (2) the Administrative Budget has been updated; and (3) the funding source for item 51 on the RDA Projects page has been corrected to read "Non Housing Funds"; and

**WHEREAS**, after adoption by the Successor Agency, the amended ROPS shall thereafter be reviewed and certified by the County, through the use of an external auditor, and submitted to the Oversight Board for review and approval. A copy of the approved amended ROPS shall be submitted to the County Auditor-Controller and both the State Controller's Office and the Department of Finance and shall be posted on the Successor Agency's internet website. The first ROPS shall be submitted to the State Controller's Office and the Department of Finance by April 15, 2012; and

**WHEREAS**, pursuant to Health and Safety Code Section 34177(l)(3) of AB 26, the ROPS shall be forward looking to the next six (6) months and, according to Health and Safety Code Section 34177(l)(1) of AB 26, for each recognized obligation, the ROPS shall identify one or more of the following sources of payment: (i) Low and Moderate Income Housing Funds, (ii) bond proceeds, (iii) reserve balances, (iv) administrative cost allowance, and (v) the Redevelopment Property Tax Trust Fund but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation or by the provisions of Part 1.85 of AB 26; and

**WHEREAS**, Health and Safety Code Section 34177(a)(1) of AB 26 requires the Successor Agency to continue to make payments due for enforceable obligations and, from February 1, 2012 until a ROPS becomes operative, only payments required pursuant to the Enforceable Obligations Payment Schedule shall be made; and

**WHEREAS**, it is the intent of AB 26 that the ROPS serve as the designated reporting mechanism for disclosing the Successor Agency's bi-annual payment obligations by amount and source and, subsequent to the audit and approval of the ROPS as specified in AB 26, the County Auditor-Controller will be responsible for ensuring that the Successor Agency receives revenues sufficient to meet the requirements of the ROPS during each bi-annual period; and

**WHEREAS**, notwithstanding the provisions of Health and Safety Code Section 34177(a)(1), agreements between the City and the Redevelopment Agency have been included in the ROPS because, among other things, they have been validated by operation of law prior to the Governor's signature of AB 26 on June 28, 2011; and

**WHEREAS**, the proposed amended ROPS attached to this Resolution as Exhibit "A" is consistent with the requirements of the Health and Safety Code and other applicable law; and

**WHEREAS**, this Resolution has been reviewed with respect to applicability of the California Environmental Quality Act ("CEQA"), the State CEQA Guidelines (California Code of Regulations, Title 14, Sections 15000 *et seq.*, hereafter the "Guidelines"), and the City's environmental guidelines; and

**WHEREAS**, this Resolution is not a "project" for purposes of CEQA, as that term is defined by Guidelines section 15378, because this Resolution is an organizational or administrative activity that will not result in a direct or indirect physical change in the environment, per section 15378(b)(5) of the Guidelines; and

**WHEREAS**, all of the prerequisites with respect to the approval of this Resolution have been met.

**NOW, THEREFORE, BE IT RESOLVED** by the Oversight Board of the Imperial Beach Redevelopment Agency Successor Agency, as follows:

- Section 1.** The foregoing recitals are true and correct and are a substantive part of this Resolution.
- Section 2.** The adoption of this Resolution is not intended to and shall not constitute a waiver by the Successor Agency of any rights the Successor Agency may have to challenge the effectiveness and/or legality of all or any portion of AB X1 26 through administrative or judicial proceedings.
- Section 3.** The Successor Agency's amended ROPS, which is attached hereto as Exhibit "A", is approved and adopted.
- Section 4.** The Executive Director, or designee, is hereby authorized and directed to take such other actions and execute such other documents as are necessary to effectuate the intent of this Resolution on behalf of the Successor Agency.
- Section 5.** The Oversight Board determines that this Resolution is not a "project" for purposes of CEQA, as that term is defined by Guidelines section 15378, because this Resolution is an organizational or administrative activity that will not result in a direct or indirect physical change in the environment, per section 15378(b)(5) of the Guidelines.
- Section 6.** This Resolution shall take effect upon the date of its adoption.

**PASSED, APPROVED, AND ADOPTED** by the Oversight Board of the Imperial Beach Redevelopment Agency Successor Agency at its meeting held on the 11<sup>th</sup> day of April 2012, by the following vote:

AYES:	BOARD MEMBERS:	WINTER, SAADAT, HENTSCHKE, GOODWIN-COLBERT, FOLTZ, FERNANDEZ
NOES:	BOARD MEMBERS:	NONE
ABSENT:	BOARD MEMBERS:	NONE
DISQUALIFIED:	BOARD MEMBERS:	WEST

/s/  
MAYDA WINTER, CHAIRPERSON

ATTEST:

~~JACQUELINE M. HALD, MMC~~  
~~SECRETARY~~

**EXHIBIT "A"**

**IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY  
AMENDED RECOGNIZED OBLIGATION PAYMENT SCHEDULE  
January 1, 2012 through June 30, 2012  
("First ROPS")**

**Approved on February 15, 2012  
Amended on April 4, 2012**

**(See Attachment)**



## RECOGNIZED OBLIGATION PAYMENT SCHEDULE January 1 - June 30, 2012 (First ROPS)

	Project Name / Debt Obligation	Payee	Description	Funding	Payments by month 2012						
					January	February	March	April	May	June	Total
Debt Obligations											
1	2003 Tax Allocation Bonds Series	Wells Fargo Bank	Bond Debt Service	Non-Housing & Low Mod					\$ 1,642,394	\$1,642,394	
2	2010 Tax Allocation Bonds Series	Wells Fargo Bank	Bond Debt Service	Non-Housing					\$ 1,051,906	\$1,051,906	
3	City Loan 1995	City of Imperial Beach	Loan to finance start up costs	Non-Housing					\$ 224,288	\$224,288	
4										\$0	
5										\$0	
6										\$0	
7										\$0	
8										\$0	
9										\$0	
10										\$0	
11										\$0	
12										\$0	
13										\$0	
14										\$0	
15										\$0	
16										\$0	
17										\$0	
18										\$0	
19										\$0	
20										\$0	
Totals - Debt Obligations - This Page					\$ -	\$ -	\$ -	\$ -	\$ 2,818,588	\$ -	\$ 2,818,588
Totals - Housing Program Related - Page 2					\$166,583	\$1,139,883	\$132,500	\$132,500	\$132,500	\$3,446,724	\$5,169,890
Totals - RDA Operating - Page 3					\$758,670	\$138,708	\$131,598	\$119,573	\$129,573	\$131,819	\$1,410,031
Totals - RDA Projects - Page 4					\$3,744,540	\$3,640,651	\$1,118,971	\$1,267,129	\$1,102,781	\$1,242,382	\$12,116,454
Totals - Pass Through Obligations- Page 5					\$0	\$0	\$0	\$0	\$576,814	\$0	\$576,814
Total Enforceable Obligations					\$4,670,193	\$4,919,132	\$1,383,068	\$1,519,202	\$4,760,254	\$4,820,925	\$22,072,775

\* Notwithstanding the provisions of California Health and Safety Code section 34177(a)(1), agreements between the City and the Agency have been included in this payment schedule because, among other things, they have been validated by operation of law prior to the Governor's signature of AB6128 on June 28, 2011.

Project Area(s)

AR

## RECOGNIZED OBLIGATION PAYMENT SCHEDULE January 1 - June 30, 2012 (First ROPS)

				Payments by month 2012						
Project Name / Debt Ob	Payee	Description	Funding	Jan	Feb	Mar	Apr	May	Jun	Total
Housing Programs										
1 Housing Management	See Attached	Mgt costs for Low/Mod Housing Program	Low/Mod funds	\$ 24,544	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,544
2 Housing Agreement	Imperial Beach	Support costs	Low/Mod funds		\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 75,000
3 Hemlock Monitoring	Housing Authority/City Finance	South Bay Comm. Svcs Loan	Low/Mod funds						\$ 2,611	\$ 2,611
4 Calla Monitoring	Housing Authority/City Finance	South Bay Comm. Svcs Loan	Low/Mod funds						\$ 2,611	\$ 2,611
5 Beachwind Monitoring	Housing Authority/City Finance	Beachwood Loan	Low/Mod funds						\$ 2,611	\$ 2,611
6 Housing Reporting	Housing Authority/City Finance	RDA Statutory Compliance	Low/Mod funds						\$ 6,785	\$ 6,785
7 Clean & Green Monitoring	Housing Authority	10-yr Contract Compliance	Low/Mod funds						\$ 193	\$ 193
8 Deficit Housing Oblig.	Housing Authority	RDA Statutory Compliance	Low/Mod funds						\$ 5,000	\$ 5,000
9 Age Proportionality	Housing Authority	RDA Statutory Compliance	Low/Mod funds						\$ 5,000	\$ 5,000
10 American Legion	Kene Ballmer	Low/Mod Housing Project	Low/Mod funds		\$ 10,000					\$ 10,000
11 American Legion	Keyser Merston Assoc.	Low/Mod Housing Project	Low/Mod funds		\$ 10,000					\$ 10,000
12 American Legion	Hicks Development	Low/Mod Housing Project	Low/Mod funds	\$ 91,717	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 3,888,274
13 American Legion	Project Management	Low/Mod Housing Project	Low/Mod funds	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500	\$ 75,000
14 Housing Element	Tam	Housing Element	Low/Mod funds	\$ 1,390	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 27,258
15 Clean & Green**	A.E. CHARLES CONSTRUCTION	Tax Exempt Bond Indenture Project	Low/Mod Bond							\$ -
16 Clean & Green**	AFFORDABLE RAINGUTTERS	Tax Exempt Bond Indenture Project	Low/Mod Bond							\$ -
17 Clean & Green**	A-FRAME CONSTRUCTION, INC.	Tax Exempt Bond Indenture Project	Low/Mod Bond							\$ -
18 Clean & Green**	ALTERNATIVE ENERGY TECHNOLOGIES	Tax Exempt Bond Indenture Project	Low/Mod Bond							\$ -
19 Clean & Green**	BARROWS CONSTRUCTION	Tax Exempt Bond Indenture Project	Low/Mod Bond							\$ -
20 Clean & Green**	CALIFORNIA ALUMINUM & VINYL WINDOWS	Tax Exempt Bond Indenture Project	Low/Mod Bond							\$ -
21 Clean & Green**	CHICAGO TILE INSUR CO	Tax Exempt Bond Indenture Project	Low/Mod Bond							\$ -
22 Clean & Green**	COOK CONSTRUCTION AND DESIGN, INC.	Tax Exempt Bond Indenture Project	Low/Mod Bond							\$ -
23 Clean & Green**	DELTA SOLAR ELECTRIC	Tax Exempt Bond Indenture Project	Low/Mod Bond							\$ -
24 Clean & Green**	DON MOORE CONSTRUCTION	Tax Exempt Bond Indenture Project	Low/Mod Bond							\$ -
25 Clean & Green**	G&S FENCE COMPANY	Tax Exempt Bond Indenture Project	Low/Mod Bond							\$ -
26 Clean & Green**	GREGORY HUGHES	Tax Exempt Bond Indenture Project	Low/Mod Bond							\$ -
27 Clean & Green**	HARLAN CONSTRUCTION	Tax Exempt Bond Indenture Project	Low/Mod Bond							\$ -
28 Clean & Green**	HELPER'S ELECTRIC COMPANY, INC.	Tax Exempt Bond Indenture Project	Low/Mod Bond							\$ -
29 Clean & Green**	KENNEY ROOFING	Tax Exempt Bond Indenture Project	Low/Mod Bond							\$ -
30 Clean & Green**	MCBREATH CONSTRUCTION CORP.	Tax Exempt Bond Indenture Project	Low/Mod Bond							\$ -
31 Clean & Green**	MILHOLLAND ELECTRIC, INC.	Tax Exempt Bond Indenture Project	Low/Mod Bond							\$ -
32 Clean & Green**	ROCK AND ROSE LANDSCAPE	Tax Exempt Bond Indenture Project	Low/Mod Bond							\$ -
33 Clean & Green**	RODS ROOFER	Tax Exempt Bond Indenture Project	Low/Mod Bond							\$ -
34 Clean & Green**	SAM & SONS PLUMBING	Tax Exempt Bond Indenture Project	Low/Mod Bond							\$ -
35 Clean & Green**	SIERRA WINDOW CONCEPTS, LTD	Tax Exempt Bond Indenture Project	Low/Mod Bond							\$ -
36 Affordable Housing	SOUTH BAY COMMUNITY SVCS	Tax Exempt Bond Indenture Project	Low/Mod Bond		\$12,193					\$ 12,193
37 Clean & Green**	STORM GENERAL BUILDERS, INC.	Tax Exempt Bond Indenture Project	Low/Mod Bond							\$ -
38 Clean & Green**	SUJACCI	Tax Exempt Bond Indenture Project	Low/Mod Bond							\$ -
39 Clean & Green**	U.S. BANK CORPORATE PAYMENT	Tax Exempt Bond Indenture Project	Low/Mod Bond							\$ -
40 Clean & Green**	WEST COAST APPLIANCE SERVICES, INC.	Tax Exempt Bond Indenture Project	Low/Mod Bond							\$ -
41 Clean & Green**	WESTERN WINDOW REPLACEMENT	Tax Exempt Bond Indenture Project	Low/Mod Bond	\$21,286						\$ 21,286
42 Clean & Green**	W. Charles Dease	Tax Exempt Bond Indenture Project	Low/Mod Bond	\$2,400						\$ 2,400
43 Clean & Green**	Wetters Electric	Tax Exempt Bond Indenture Project	Low/Mod Bond	\$13,140						\$ 13,140
44 Clean & Green	Various Contractors	Tax Exempt Bond Indenture Project	Low/Mod Bond		\$380,000					\$ 380,000
45 Housing Project	Habitat P.M.	Tax Exempt Bond Indenture Project	Low/Mod Bond		\$500,000					\$ 500,000
46 Housing Project	Project Management for Habitat	Tax Exempt Bond Indenture Project	Low/Mod Bond		\$95,000					\$ 95,000
47										\$ -
Totals - This Page				\$168,983	\$1,139,693	\$132,500	\$132,500	\$132,500	\$3,448,724	\$5,160,899

\* Notwithstanding the provisions of California Health and Safety Code section 34177(a)(1), agreements between the City and the Agency have been included in this payment schedule because, among other things, they have been validated by operation of law prior to the Governor's signature of ABX1 26 on June 28, 2011.

\*\* Pursuant to contract with homeowner participant

## RECOGNIZED OBLIGATION PAYMENT SCHEDULE January 1 - June 30, 2012 (First ROPS)

	Project Name / Debt Obligation	Payee	Description	Funding	Payments by month 2012						Total
					January	February	March	April	May	June	
RDA Operating											
1	RDA Management	Various	Admin of RDA	Non-Housing	\$100,000						\$100,000
2	Admin Costs ***	City of Imperial Beach	Per AB 26	Non-Housing	\$ 69,273	\$ 69,273	\$ 69,273	\$ 69,273	\$ 69,273	\$ 69,272	\$415,637
3	RDA Accrued Liabilities	City of Imperial Beach	Vacation/Sick Liability as of 1/31/2012	Non-Housing	\$203,233						\$203,233
4	RDA Unfunded PERS Liability	City of Imperial Beach	Unfunded Pension Liability as of 1/31/2012	Non-Housing	\$319,590						\$319,590
5	RDA 30 Layoff Notice Cost	City of Imperial Beach	Labor Contract Requirement	Non-Housing	\$28,646						\$28,646
6	RDA Outstanding WC Liability	City of Imperial Beach	Workers Compensation Liability 1/31/2012	Non-Housing	\$2,928						\$2,928
7	Graffiti Abatement	Various	RDA Staffing and Program Costs	Non-Housing	\$25,000						\$25,000
8	Confining Disclosure	Wells Fargo	Mandatory Annual Bond Disclosure	Non-Housing		\$3,200					\$3,200
9	Confining Disclosure	Bond Management/VNBS	Mandatory Annual Bond Disclosure	Non-Housing		\$4,000					\$4,000
10	Confining Disclosure	HDL	Assessment Information	Non-Housing		\$2,025	\$2,025			\$2,025	\$6,075
11	Confining Disclosure	Lance Soti	Audit Fees	Non-Housing		\$10,000			\$10,000		\$20,000
12	IBCC Monitoring	City of Imperial Beach	IB Community Clinic Loan	Non-Housing						\$ 2,611	\$2,611
13	RDA Statue Compliance	City of Imperial Beach	Compliance	Non-Housing						\$ 2,611	\$2,611
14	City Service Agreement	City of Imperial Beach	Oversight and related costs	Non-Housing		\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$200,000
15	Hotel DDA Compliance	City of Imperial Beach	DDA Compliance Issues	Non-Housing						\$5,000	\$5,000
16	Capital Trailer Rental	Bert's	Temp Trailer for Project Management	Non-Housing		\$300	\$300	\$300	\$300	\$300	\$1,500
17	Legal	McDougal/Kane Balmer		Non-Housing	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$60,000
18	Interim Audit Management	City of Imperial Beach	Additional Audit Requirement	Non-Housing			\$10,000				\$10,000
19											\$0
20											\$0
21											\$0
22											\$0
23											\$0
24											\$0
25											\$0
26											\$0
27											\$0
28											\$0
29											\$0
30											\$0
Totals - This Page					\$758,570	\$138,788	\$131,588	\$118,573	\$129,573	\$131,819	\$1,410,031

\* Notwithstanding the provisions of California Health and Safety Code section 34177(a)(1), agreements between the City and the Agency have been included in this payment schedule because, among other things, they have been validated by operation of law prior to the Governor's signature of ABx1 26 on June 28, 2011.

\*\*\* Months October through December were added administratively pursuant to Reso SA 12-02 . The Successor Agency Board ratification is scheduled for March 7, 2012.

\*\*\* Pursuant to AB x1 26 34177 (j) (K) to be paid from property tax revenues deposited in the Redevelopment Property Tax Trust Fund.

RECOGNIZED OBLIGATION PAYMENT SCHEDULE January 1 - June 30, 2012 (First ROPS)

	Project Name / Debt Obligation	Payee	Description	Funding	Payments by month 2012						
					January	February	March	April	May	June	Total
RDA Projects											
1	Commercial Zoning	AECOM	Tax Exempt Bond Indenture Project	Non-Housing Bonds		\$ 80,333				\$80,333	
2	Commercial Zoning	Project Management	Tax Exempt Bond Indenture Project	Non-Housing Bonds		\$ 16,666	\$ 16,666	\$ 16,666	\$ 16,666	\$ 16,666	
3	Highway 75 Improvements	Sabers	Tax Exempt Bond Indenture Project	Non-Housing Bonds	\$2,200,000					\$2,200,000	
4	Highway 75 Improvements	Dadek	Tax Exempt Bond Indenture Project	Non-Housing Bonds						\$0	
5	Highway 75 Improvements	Narstad Engineering	Tax Exempt Bond Indenture Project	Non-Housing Bonds		\$30,000	\$ 30,000	\$ 3,052		\$67,652	
6	Highway 75 Improvements	Project Design Consultant	Tax Exempt Bond Indenture Project	Non-Housing Bonds	\$ 105,197					\$105,197	
7	Raytheon Military Access	Project Management	Tax Exempt Bond Indenture Project	Non-Housing Bonds	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	
8	Raytheon Military Access	IRRF Consulting/Other	Tax Exempt Bond Indenture Project	Non-Housing Bonds		\$ 21,004	\$ 5,000			\$26,004	
9	Sand Reprofitment	SANDAG	Tax Exempt Bond Indenture Project	Non-Housing Bonds	\$ 174,000					\$174,000	
10	Street Improvements Phase 3	Narstad	Tax Exempt Bond Indenture Project	Non-Housing Bonds	\$64,060					\$64,060	
11	Street Improvements Phase 3	SDGS	Tax Exempt Bond Indenture Project	Non-Housing Bonds	\$5,000					\$5,000	
12	Street Improvements Phase 3	Earth Newspaper	Tax Exempt Bond Indenture Project	Non-Housing Bonds		\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	
13	Street Improvements Phase 3	Project Management	Tax Exempt Bond Indenture Project	Non-Housing Bonds	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	
14	Street Improvements Phase 3	PKL General Engineering	Tax Exempt Bond Indenture Project	Non-Housing Bonds	\$258,450	\$258,450	\$258,450	\$258,450	\$258,450	\$1,038,750	
15	Street Improvements Phase 4-5	RDS	Tax Exempt Bond Indenture Project	Non-Housing Bonds						\$0	
16	Street Improvements Phase 4-5	Geosols	Tax Exempt Bond Indenture Project	Non-Housing Bonds						\$0	
17	Street Improvements Phase 4-5	Earth Newspaper	Tax Exempt Bond Indenture Project	Non-Housing Bonds						\$0	
18	Street Improvements Phase 4-5	Project Management	Tax Exempt Bond Indenture Project	Non-Housing Bonds	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	
19	Street Improvements Phase 4-5	Southland Paving, Inc.	Tax Exempt Bond Indenture Project	Non-Housing Bonds	\$674,555	\$674,555	\$674,555	\$674,555	\$674,555	\$4,047.33	
20	13th Street ADA Imp	Lebar	Tax Exempt Bond Indenture Project	Non-Housing Bonds	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	
21	Skatepark Fence	SDS	Tax Exempt Bond Indenture Project	Non-Housing Bonds	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	
22	Skatepark Fence	Marjo Steel Fence	Tax Exempt Bond Indenture Project	Non-Housing Bonds	\$ 62,782	\$ 5,000				\$67,782	
23	Skatepark Fence	Project Management	Tax Exempt Bond Indenture Project	Non-Housing Bonds	\$ 2,664	\$ 2,664	\$ 2,664	\$ 2,664		\$10,656	
24	Skatepark Fence	US Bank	Tax Exempt Bond Indenture Project	Non-Housing Bonds	\$ 600					\$600	
25	Bikeway Village Project	Keyser Marston Assoc.	Tax Exempt Bond Indenture Project	Non-Housing Bonds		\$15,052	\$10,000			\$25,052	
26	Bikeway Village Project	Bikeway Village, LLC	Tax Exempt Bond Indenture Project	Non-Housing Bonds		\$1,849,700				\$1,849,700	
27	Bikeway Village Project	Bikeway Village, LLC	Tax Exempt Bond Indenture Project	Non-Housing Bonds		\$0				\$0	
28	Bikeway Village Project	Racon Environmental	Tax Exempt Bond Indenture Project	Non-Housing Bonds		\$65,298				\$65,298	
29	Bikeway Village Project	Robert Rader	Tax Exempt Bond Indenture Project	Non-Housing Bonds		\$35,000				\$35,000	
30	Bikeway Village Project	Oppe Vaso	Tax Exempt Bond Indenture Project	Non-Housing Bonds		\$17,500				\$17,500	
31	Bikeway Village Project	Project Management/Leal	Tax Exempt Bond Indenture Project	Non-Housing Bonds	\$75,000	\$25,000	\$10,000	\$10,000	\$10,000	\$10,000	
32	Facade Program	Marlow / Harkin Construction	Tax Exempt Bond Indenture Project	Non-Housing Bonds					\$1,400	\$1,400	
33	Facade Program	Co/T Electric Supply	Tax Exempt Bond Indenture Project	Non-Housing Bonds						\$0	
34	Facade Program	Sea Breeze Electric	Tax Exempt Bond Indenture Project	Non-Housing Bonds						\$0	
35	Facade Program	Starford Sign & Awning	Tax Exempt Bond Indenture Project	Non-Housing Bonds						\$0	
36	Facade Program	CV Techo	Tax Exempt Bond Indenture Project	Non-Housing Bonds		\$30,000				\$30,000	
37	Facade Program	La Posta	Tax Exempt Bond Indenture Project	Non-Housing Bonds		\$40,000				\$40,000	
38	Veterans Park Signage	US Bank	Tax Exempt Bond Indenture Project	Non-Housing Bonds						\$0	
39	Veterans Park Signage	Project Management	Tax Exempt Bond Indenture Project	Non-Housing Bonds						\$0	
40	Storm Drain Intersect	Various	Tax Exempt Bond Indenture Project	Non-Housing Bonds		\$25,000	\$50,000	\$50,000	\$100,000	\$241,000	
41	Elm Ave. Underpassing	A.M. Ortega Const. Inc.	Tax Exempt Bond Indenture Project	Non-Housing Bonds						\$0	
42	Elm Ave. Underpassing	Ameron International	Tax Exempt Bond Indenture Project	Non-Housing Bonds						\$0	
43	Bond Project Contingency	Project Management	Tax Exempt Bond Indenture Project	Non-Housing Bonds		\$0				\$0	
44	Date Street Seagorl Inn	Imperial Coast	Tax Exempt Bond Indenture Project	Non-Housing Bonds		\$41,812	\$200,000			\$241,812	
45	Date Street	Narstad Engineering	Street Improvement Contract	Non-Housing Bonds						\$0	
46	19th & Palm Other Bond Projects	Kane Baltimore/McDonal	Tax Exempt Bond Indenture Project	Non-Housing Bonds		\$34,007	\$10,000	\$10,000	\$10,000	\$74,007	
47	19th & Palm Other Bond Projects	Oppe Vaso	Tax Exempt Bond Indenture Project	Non-Housing Bonds		\$17,500				\$17,500	
48	19th & Palm Other Bond Projects	Keyser Marston Assoc.	Tax Exempt Bond Indenture Project	Non-Housing Bonds		\$10,000	\$9,800			\$19,800	
49	19th & Palm Other Bond Projects	Urban Systems	Tax Exempt Bond Indenture Project	Non-Housing Bonds		\$10,000	\$10,000	\$4,933		\$24,933	
50	19th & Palm Southbay Relocation	Southbay Dryst	9th and Palm Project	Non-Housing Funds	\$150,000					\$150,000	
51	19th & Palm Goodwill Relocation	Goodwill Industries	9th and Palm Project	Non-Housing Funds		\$210,000				\$210,000	
52	9th & Palm Moran Relocation	Moran Food	9th and Palm Project	Non-Housing Funds						\$0	
53	9th & Palm	Narstad Engineering	9th and Palm Project	Non-Housing Funds						\$0	
54	9th & Palm	Crishner	9th and Palm Project	Non-Housing Funds						\$0	
55	9th & Palm	Umlins Landscaping	9th and Palm Project	Non-Housing Funds						\$0	
56	9th & Palm	Project Management/Legal	9th and Palm Project	Non-Housing Bonds	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	
57	9th & Palm	Various	9th and Palm Project	Non-Housing Bonds	\$0					\$0	
58	Eco-Bikeway	KDA Corporation	Bikeway Improvements	Non-Housing Bonds		\$ 1,210				\$1,210	
59	19th Bikeway	Project Management	Bikeway Improvements	Non-Housing Bonds	\$1,000	\$1,600	\$1,600	\$1,000	\$1,600	\$8,800	
60										\$0	
Totals - This Page					\$3,764,540	\$3,640,651	\$1,118,971	\$1,297,129	\$1,120,781	\$1,242,282	\$12,116,400

\* Notwithstanding the provisions of California Health and Safety Code section 34177(h)(1), agreements between the City and the Agency have been included in this payment schedule because, among other things, they have been validated by operation of law prior to the Governor's signature of AB 25 on June 28, 2011.

## RECOGNIZED OBLIGATION PAYMENT SCHEDULE January 1 - June 30, 2012 (First ROPS)

Project Name / Debt Obligation	Payee	Description	Funding	Payments by month						
				Jan	Feb	Mar	Apr	May	Jun	Total
Pass-Thru Payments										
1) Section 33676 Payments	County General	Pass Thru Payments Amended Area	Non-Housing							\$0
2) Section 33676 Payments	County Library	Pass Thru Payments Amended Area	Non-Housing							\$0
3) Section 33676 Payments	Gen Elem South Bay Union	Pass Thru Payments Amended Area	Non-Housing							\$0
4) Section 33676 Payments	High Sweetwater Union	Pass Thru Payments Amended Area	Non-Housing							\$0
5) Section 33676 Payments	Southwestern Community College	Pass Thru Payments Amended Area	Non-Housing							\$0
6) Section 33676 Payments	County Office of Education	Pass Thru Payments Amended Area	Non-Housing							\$0
7) Section 33676 Payments	Imperial Beach City Gen Fund	Pass Thru Payments Amended Area	Non-Housing							\$0
8) Section 33676 Payments	City of San Diego	Pass Thru Payments Amended Area	Non-Housing							\$0
9) Section 33676 Payments	CWA City of San Diego	Pass Thru Payments Amended Area	Non-Housing							\$0
10) Section 33676 Payments	San Diego City Zoological Exhibits-D	Pass Thru Payments Amended Area	Non-Housing							\$0
11) Section 33676 Payments	MWD D/S Remainder of SDCWA	Pass Thru Payments Amended Area	Non-Housing							\$0
12) Section 33676 Payments	County General	Pass Thru Payments Original Area T1	Non-Housing							\$0
13) Section 33676 Payments	County Library	Pass Thru Payments Original Area T1	Non-Housing							\$0
14) Section 33676 Payments	Gen Elem South Bay Union	Pass Thru Payments Original Area T1	Non-Housing							\$0
15) Section 33676 Payments	High Sweetwater Union	Pass Thru Payments Original Area T1	Non-Housing							\$0
16) Section 33676 Payments	Southwestern Community College	Pass Thru Payments Original Area T1	Non-Housing							\$0
17) Section 33676 Payments	County Office of Education	Pass Thru Payments Original Area T1	Non-Housing							\$0
18) Section 33676 Payments	Imperial Beach City	Pass Thru Payments Original Area T1	Non-Housing							\$0
19) Section 33676 Payments	County General	Pass Thru Payments Original Area	Non-Housing							\$0
20) Section 33676 Payments	County Library	Pass Thru Payments Original Area	Non-Housing							\$0
21) Section 33676 Payments	Gen Elem South Bay Union	Pass Thru Payments Original Area	Non-Housing							\$0
22) Section 33676 Payments	High Sweetwater Union	Pass Thru Payments Original Area	Non-Housing							\$0
23) Section 33676 Payments	Southwestern Community College	Pass Thru Payments Original Area	Non-Housing							\$0
24) Section 33676 Payments	County Office of Education	Pass Thru Payments Original Area	Non-Housing							\$0
25) Section 33676 Payments	Final - see above	Pass Thru Payments Original Area	Non-Housing					\$576,814		\$576,814
Totals - Other Obligations				\$ -	\$ -	\$ -	\$ -	\$ 576,814	\$ -	\$ 576,814

\* Notwithstanding the provisions of California Health and Safety Code section 34177(a)(1), agreements between the City and the Agency have been included in this payment schedule because, among other things, they have been validated by operation of law prior to the Governor's signature of ASX1 26 on June 28, 2011.

\* Notwithstanding the provisions of California Health and Safety Code section 34177(a)(1), agreements between the City and the Agency have been included in this payment schedule because, among other things, they have been validated by operation of law prior to the Governor's signature of ABx1 26 on June 28, 2011.

## RESOLUTION NO. OB-12-04

### RESOLUTION OF THE OVERSIGHT BOARD OF THE IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY APPROVING THE SECOND RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE PERIOD OF JULY 1, 2012 ENDING DECEMBER 31, 2012

**WHEREAS**, the Imperial Beach Redevelopment Agency ("Redevelopment Agency") was a redevelopment agency in the City of Imperial Beach ("City"), duly created pursuant to the California Community Redevelopment Law (Part 1 (commencing with Section 33000) of Division 24 of the California Health and Safety Code) ("Redevelopment Law"); and

**WHEREAS**, the City Council has adopted redevelopment plans for Imperial Beach's redevelopment project areas, and from time to time, the City Council has amended such redevelopment plans; and

**WHEREAS**, the Redevelopment Agency was responsible for the administration of redevelopment activities within the City; and

**WHEREAS**, AB x1 26 ("AB 26") and AB x1 27 ("AB 27") were signed by the Governor of California on June 28, 2011, making certain changes to the Redevelopment Law, including adding Part 1.8 (commencing with Section 34161) and Part 1.85 (commencing with Section 34170) ("Part 1.85") to Division 24 of the California Health and Safety Code ("Health and Safety Code"); and

**WHEREAS**, the California Redevelopment Association and League of California Cities filed a lawsuit in the Supreme Court of California (*California Redevelopment Association, et al. v. Matosantos, et al.*, Case No. S194861) alleging that AB 26 and AB 27 were unconstitutional; and

**WHEREAS**, on December 29, 2011, the Supreme Court issued its opinion in the *Matosantos* case largely upholding as constitutional AB 26, invalidating as unconstitutional AB 27, and holding that AB 26 may be severed from AB 27 and enforced independently; and

**WHEREAS**, the Supreme Court generally reformed and revised the effective dates and deadlines for performance of obligations under Health and Safety Code Part 1.85 of AB 26 arising before May 1, 2012 to take effect four months later, while leaving the effective dates or deadlines for performance of obligations under Health and Safety Code Part 1.8 of AB 26 unchanged; and

**WHEREAS**, as a result of the Supreme Court's decision, and on February 1, 2012, all California redevelopment agencies were dissolved, successor agencies were established as successor agencies to the former redevelopment agencies pursuant to Health and Safety Code Section 34173, and successor agencies are tasked with paying, performing and enforcing the enforceable obligations of the former redevelopment agencies and winding down the affairs of the former redevelopment agencies; and

**WHEREAS**, the City Council of the City adopted Resolution No. 2012-7136 on January 5, 2012, pursuant to Part 1.85, electing for the City to serve as the successor agency to the Redevelopment Agency upon the dissolution of the Redevelopment Agency under AB 26 ("Successor Agency"); and

**WHEREAS**, on February 15, 2012, the Board of Directors of the Successor Agency, adopted Resolution No. SA-12-01 naming itself the "Imperial Beach Redevelopment Agency

Successor Agency," the sole name by which it will exercise its powers and fulfill its duties pursuant to Part 1.85 of AB 26, and establishing itself as a separate legal entity with rules and regulations that will apply to the governance and operations of the Successor Agency; and

**WHEREAS**, AB 26 requires that there shall be an oversight board ("Oversight Board") established for each of the former California redevelopment agency's successor agencies to supervise the activities of the Successor Agency and the wind down of the dissolved Redevelopment Agency's affairs pursuant to AB 26; and

**WHEREAS**, on April 11, 2012, the first meeting of the Oversight Board of the Imperial Beach Redevelopment Agency Successor Agency took place and Oversight Board Members were duly sworn into office.

**WHEREAS**, pursuant to Health and Safety Code Section 34177(l)(2)(A) of AB 26, the Successor Agency was required to prepare its draft Recognized Obligation Payment Schedule ("ROPS") by March 1, 2012; and

**WHEREAS**, in accordance with Health and Safety Code Section 34177(l)(2)(A) of AB 26, the Successor Agency adopted the draft ROPS on February 15, 2012 by Resolution No. SA-12-02, for the period of January 1, 2012 through June 30, 2012; and

**WHEREAS**, after the Successor Agency's adoption of the draft ROPS, the San Diego County Auditor-Controller requested that the draft ROPS cover the period of October 1, 2011 through June 30, 2012; and

**WHEREAS**, to accommodate the request of the County Auditor-Controller, the Executive Director of the Successor Agency modified the draft ROPS, pursuant to administrative authority provided to the Executive Director by the Successor Agency as set forth in Resolution No. SA-12-02, and included the period of October 1, 2011 through December 31, 2011 to the draft ROPS; and

**WHEREAS**, pursuant to Health and Safety Code Section 34177(l)(3) of AB 26, the first ROPS shall be submitted to the State of California Controller's Office and the State of California Department of Finance by April 15, 2012 for the period of January 1, 2012 through June 30, 2012; and

**WHEREAS**, due to ambiguity in timing and apparent conflict in dates set forth in AB 26 for the certification of the ROPS by the County, the approval of the ROPS by the Oversight Board, and the submission of the first ROPS to the State Controller's Office and the Department of Finance, staff of the Successor Agency determined that the draft ROPS should be amended as the first ROPS for submission to the State Controller's Office and the Department of Finance by April 15, 2012 and revised to reflect the time period of January 1, 2012 through June 30, 2012 as required by Health and Safety Code Section 34177(l)(3) of AB 26. In addition, staff determined that certain information relating to the recognized obligations set forth in the ROPS must be added to and clarified in the ROPS; and

**WHEREAS**, the amended ROPS for the period of January 31, 2012 through June 30, 2012 is substantively the same as the previously approved Successor Agency draft ROPS with the following exceptions: (1) the exclusion of October 1, 2011 through December 31, 2011; (2)

the Administrative Budget has been updated; and (3) the funding source for item 51 on the RDA Projects page has been corrected to read "Non Housing Funds"; and

**WHEREAS**, the Successor Agency approved the amended ROPS on April 4, 2012 and thereafter the amended ROPS shall be reviewed and certified by the County, through the use of an external auditor, and submitted to the Oversight Board for review and approval. A copy of the approved amended ROPS shall be submitted to the County Auditor-Controller and both the State Controller's Office and the Department of Finance and shall be posted on the Successor Agency's internet website. The first ROPS shall be submitted to the State Controller's Office and the Department of Finance by April 15, 2012; and

**WHEREAS**, pursuant to Health and Safety Code Section 34177(l)(3) of AB 26, the ROPS shall be forward looking to the next six (6) months and, according to Health and Safety Code Section 34177(l)(1) of AB 26, for each recognized obligation, the ROPS shall identify one or more of the following sources of payment: (i) Low and Moderate Income Housing Funds, (ii) bond proceeds, (iii) reserve balances, (iv) administrative cost allowance, and (v) the Redevelopment Property Tax Trust Fund but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation or by the provisions of Part 1.85 of AB 26; and

**WHEREAS**, it is the intent of AB 26 that the ROPS serve as the designated reporting mechanism for disclosing the Successor Agency's bi-annual payment obligations by amount and source and, subsequent to the audit and approval of the ROPS as specified in AB 26, the County Auditor-Controller will be responsible for ensuring that the Successor Agency receives revenues sufficient to meet the requirements of the ROPS during each bi-annual period; and

**WHEREAS**, notwithstanding the provisions of Health and Safety Code Section 34177(a)(1), agreements between the City and the Redevelopment Agency have been included in the ROPS because, among other things, they have been validated by operation of law prior to the Governor's signature of AB 26 on June 28, 2011; and

**WHEREAS**, the second ROPS covering the period of July 1, 2012 through December 3, 2012 is attached hereto as Exhibit "A"; and

**WHEREAS**, the proposed second ROPS attached to this Resolution as Exhibit "A" which was approved by the Successor Agency on April 4, 2012 by Resolution SA-12-06 is consistent with the requirements of the Health and Safety Code and other applicable law; and

**WHEREAS**, this Resolution has been reviewed with respect to applicability of the California Environmental Quality Act ("CEQA"), the State CEQA Guidelines (California Code of Regulations, Title 14, Sections 15000 *et seq.*, hereafter the "Guidelines"), and the City's environmental guidelines; and

**WHEREAS**, this Resolution is not a "project" for purposes of CEQA, as that term is defined by Guidelines section 15378, because this Resolution is an organizational or administrative activity that will not result in a direct or indirect physical change in the environment, per section 15378(b)(5) of the Guidelines; and

**WHEREAS**, all of the prerequisites with respect to the approval of this Resolution have been met.



**NOW, THEREFORE, BE IT RESOLVED** by the Oversight Board of the Imperial Beach Redevelopment Agency Successor Agency, as follows:

- Section 1.** The foregoing recitals are true and correct and are a substantive part of this Resolution.
- Section 2.** The adoption of this Resolution is not intended to and shall not constitute a waiver by the Successor Agency of any rights the Successor Agency may have to challenge the effectiveness and/or legality of all or any portion of AB X1 26 through administrative or judicial proceedings.
- Section 3.** The Successor Agency's second ROPS, which is attached hereto as Exhibit "A", is approved and adopted.
- Section 4.** The Executive Director, or designee, is hereby authorized and directed toii) take such other actions and execute such other documents as are necessary to effectuate the intent of this Resolution on behalf of the Successor Agency.
- Section 5.** The Oversight Board determines that this Resolution is not a "project" for purposes of CEQA, as that term is defined by Guidelines section 15378, because this Resolution is an organizational or administrative activity that will not result in a direct or indirect physical change in the environment, per section 15378(b)(5) of the Guidelines.
- Section 6.** This Resolution shall take effect upon the date of its adoption.

**PASSED, APPROVED, AND ADOPTED** by the Oversight Board of the Imperial Beach Redevelopment Agency Successor Agency at its meeting held on the 11<sup>th</sup> day of April 2012, by the following vote:

AYES:	BOARD MEMBERS:	WINTER, WEST, SAADAT, HENTSCHKE, GOODWIN-COLBERT, FOLTZ, FERNANDEZ
NOES:	BOARD MEMBERS:	NONE
ABSENT:	BOARD MEMBERS:	NONE

/S/  
MAYDA WINTER, CHAIRPERSON

ATTEST:

/s/  
JACQUELINE M. HALD, MMC  
SECRETARY

**EXHIBIT "A"**

**IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY  
RECOGNIZED OBLIGATION PAYMENT SCHEDULE  
July 1, 2012 through December 31, 2012  
("Second ROPS")**

**Approved on April 4, 2012**

**(See Attachment)**

Project Area(s)

All

RECOGNIZED OBLIGATION PAYMENT SCHEDULE July 1 - December 31, 2012 (Second ROPS)

	Project Name / Debt Obligation	Payee	Description	Funding	Payments by month						Total	
					July 2012	Aug 2012	Sept 2012	Oct 2012	Nov 2012	Dec 2012		
<b>Debt Obligations</b>												
1	2003 Tax Allocation Bonds Series	Wells Fargo Bank	Bond Debt Service	Non-Housing & Low Mod					\$	533,092	\$533,092	
2	2010 Tax Allocation Bonds Series	Wells Fargo Bank	Bond Debt Service	Non-Housing					\$	525,953	\$525,953	
3	City Loan 1985	City of Imperial Beach	Loan to finance start up costs	Non-Housing					\$	224,288	\$224,288	
4											\$0	
5											\$0	
6											\$0	
7											\$0	
8											\$0	
9											\$0	
10											\$0	
11											\$0	
12											\$0	
13											\$0	
14											\$0	
15											\$0	
16											\$0	
17											\$0	
18											\$0	
19											\$0	
20											\$0	
Totals - Debt Obligations - This Page					\$ -	\$ -	\$ -	\$ -	\$	1,283,331	\$ -	\$ 1,283,331
Totals - Housing Program Related - Page 2					\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$90,000
Totals - RDA Operating - Page 3					\$119,573	\$128,798	\$119,573	\$119,573	\$119,573	\$124,794	\$731,884	\$731,884
Totals - RDA Projects - Page 4					\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Totals - Pass Through Obligations- Page 5					\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Enforceable Obligations					\$134,573	\$143,798	\$134,573	\$134,573	\$141,784	\$139,794	\$2,105,216	\$2,105,216

\* Notwithstanding the provisions of California Health and Safety Code section 34177(a)(1), agreements between the City and the Agency have been included in this payment schedule because, among other things, they have been validated by operation of law prior to the Governor's signature of ABx1 28 on June 28, 2011.

## RECOGNIZED OBLIGATION PAYMENT SCHEDULE July 1 - December 31, 2012 (Second ROPS)

	Project Name / Debt Ob	Payee	Description	Funding	Payments by month						
					July 2012	Aug 2012	Sept 2012	Oct 2012	Nov 2012	Dec 2012	Total
Housing Programs											
1	Housing Management	See Attached	Mgt costs for Low/Mod Housing Program	Low/Mod funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Housing Agreement	Imperial Beach	Support costs	Low/Mod funds	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 90,000
3	Hemlock Monitoring	Housing Authority/City Finance	South Bay Comm. Svcs Loan	Low/Mod funds							\$ -
4	Cells Monitoring	Housing Authority/City Finance	South Bay Comm. Svcs Loan	Low/Mod funds							\$ -
5	Beachwind Monitoring	Housing Authority/City Finance	Beachwood Loan	Low/Mod funds							\$ -
6	Housing Reporting	Housing Authority/City Finance	RDA Statutory Compliance	Low/Mod funds							\$ -
7	Green & Green Monitor	Housing Authority	10 yr Contract Compliance	Low/Mod funds							\$ -
8	Deficit Housing Oblia.	Housing Authority	RDA Statutory Compliance	Low/Mod funds							\$ -
9	Age Proportionality	Housing Authority	RDA Statutory Compliance	Low/Mod funds							\$ -
10											\$ -
11											\$ -
12											\$ -
13											\$ -
14											\$ -
15											\$ -
16											\$ -
17											\$ -
18											\$ -
19											\$ -
20											\$ -
21											\$ -
22											\$ -
23											\$ -
24											\$ -
25											\$ -
26											\$ -
27											\$ -
28											\$ -
29											\$ -
Totals - This Page					\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$90,000

\* Notwithstanding the provisions of California Health and Safety Code section 34177(a)(1), agreements between the City and the Agency have been included in this payment schedule because, among other things, they have been validated by operation of law prior to the Governor's signature of ABx1 26 on June 28, 2011.

\* Pursuant to contract with homeowner participant

## RECOGNIZED OBLIGATION PAYMENT SCHEDULE July 1 - December 31, 2012 (Second ROPS)

	Project Name / Debt Obligation	Payee	Description	Funding	Payments by month						Total
					July 2012	Aug 2012	Sept 2012	Oct 2012	Nov 2012	Dec 2012	
RDA Operating											
1	RDA Management	Various	Admin of RDA	Non-Housing	\$ -						\$0
2	Admin Costs ***	City of Imperial Beach	Per AB 26	Non-Housing	\$ 69,273	\$ 69,273	\$ 69,273	\$ 69,273	\$ 69,273	\$ 69,272	\$415,637
3	RDA Accrued Liabilities	City of Imperial Beach	Vacation/Sick Liability as of 1/31/2012	Non-Housing							\$0
4	RDA Unfunded PERS Liability	City of Imperial Beach	Unfunded Pension Liability as of 1/31/2012	Non-Housing							\$0
5	RDA 30 Layoff Notice Cost	City of Imperial Beach	Labor Contract Requirement	Non-Housing							\$0
6	RDA Outstanding WC Liability	City of Imperial Beach	Workers Compensation Liability 1/31/2012	Non-Housing							\$0
7	Graffiti Abatement	Various	RDA Staffing and Program Costs	Non-Housing							\$0
8	Continuing Disclosure	Wells Fargo	Mandatory Annual Bond Disclosure	Non-Housing		\$3,200					\$3,200
9	Continuing Disclosure	Bond Management/NBS	Mandatory Annual Bond Disclosure	Non-Housing		\$4,000					\$4,000
10	Continuing Disclosure	HDL	Assessment Information	Non-Housing		\$2,025					\$2,025
11	Continuing Disclosure	Lance-Soft	Audit Fees	Non-Housing							\$0
12	IBCC Monitoring	City of Imperial Beach	IB Community Clinic Loan	Non-Housing						\$ 2,611	\$2,611
13	RDA Status Compliance	City of Imperial Beach	Compliance	Non-Housing						\$ 2,611	\$2,611
14	City Service Agreement	City of Imperial Beach	Oversight and related costs	Non-Housing	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$240,000
15	Hotel DDA Compliance	City of Imperial Beach	DDA Compliance Issues	Non-Housing						\$0	\$0
16	Capital Trailer Rental	Bent's	Temp Trailer for Project Management	Non-Housing	\$300	\$300	\$300	\$300	\$300	\$300	\$1,800
17	Legal	McDougal/Kane Bolmer		Non-Housing	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$60,000
18	Interim Audit Management	City of Imperial Beach	Additional Audit Requirement	Non-Housing							\$0
19											\$0
	Totals - This Page				\$119,573	\$128,798	\$119,573	\$119,573	\$119,573	\$124,784	\$731,884

\*\* Months October through December were added administratively pursuant to Reso SA 12-02. The Successor Agency Board ratification is scheduled for March 7, 2012.

\* Notwithstanding the provisions of California Health and Safety Code section 34177(a)(1), agreements between the City and the Agency have been included in this payment schedule because, among other things, they have been validated by operation of law prior to the Governor's signature of ABx1 28 on June 28, 2011.

Name of Redevelopment Agency: Imperial Beach Redevelopment Agency  
 Project Area(s): All

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# RECOGNIZED OBLIGATION PAYMENT SCHEDULE July 1 - December 31, 2012 (Second ROPS)

	Project Name / Debt Obligation	Payee	Description	Funding	Payments by month						
					July 2012	Aug 2012	Sept 2012	Oct 2012	Nov 2012	Dec 2012	Total
RDA Projects											
1	9th & Palm	Nasland Engineering	9th and Palm Project	Non-Housing Funds							\$
2	9th & Palm	Mireles Landscaping	9th and Palm Project	Non-Housing Funds							\$
3	9th & Palm	Project Management/Legal	9th and Palm Project	Non-Housing Bonds							\$
Totals - This Page					\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$

Notwithstanding the provisions of California Health and Safety Code section 34177(a)(1), agreements between the City and the Agency have been included in this payment schedule because, among other things, they have been validated by operation of law prior to the Governor's signature of ABx1 28 on June 28, 2011.

**RESOLUTION NO. OB-12-09**

**RESOLUTION OF THE OVERSIGHT BOARD OF THE IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY APPROVING THE THIRD RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE PERIOD OF JANUARY 1, 2013 THROUGH JUNE 30, 2013 AND APPROVING CERTAIN RELATED ACTIONS PURSUANT TO PART 1.85 OF THE CALIFORNIA HEALTH AND SAFETY CODE**

**WHEREAS**, the Imperial Beach Redevelopment Agency ("Redevelopment Agency") was a redevelopment agency in the City of Imperial Beach ("City"), duly created pursuant to the California Community Redevelopment Law (Part 1 (commencing with Section 33000) of Division 24 of the California Health and Safety Code) ("Redevelopment Law"); and

**WHEREAS**, the City Council has adopted redevelopment plans for Imperial Beach's redevelopment project areas, and from time to time, the City Council has amended such redevelopment plans; and

**WHEREAS**, the Redevelopment Agency was responsible for the administration of redevelopment activities within the City; and

**WHEREAS**, Assembly Bill X1 26 (2011-2012 1<sup>st</sup> Ex. Sess.) ("AB 26") was signed by the Governor of California on June 28, 2011, making certain changes to the Redevelopment Law and the California Health and Safety Code ("Health and Safety Code"), including adding Part 1.8 (commencing with Section 34161) ("Part 1.8") and Part 1.85 (commencing with Section 34170) ("Part 1.85") to Division 24 of the Health and Safety Code; and

**WHEREAS**, pursuant to AB 26, as modified by the California Supreme Court on December 29, 2011 by its decision in *California Redevelopment Association v. Matosantos*, all California redevelopment agencies, including the Redevelopment Agency, were dissolved on February 1, 2012, and successor agencies were designated and vested with the responsibility of paying, performing and enforcing the enforceable obligations of the former redevelopment agencies and winding down the business and fiscal affairs of the former redevelopment agencies; and

**WHEREAS**, the City Council of the City adopted Resolution No. 2012-7136 on January 5, 2012, pursuant to Part 1.85 of AB 26, electing for the City to serve as the successor agency to the Redevelopment Agency upon the dissolution of the Redevelopment Agency under AB 26 ("Successor Agency"); and

**WHEREAS**, on February 15, 2012, the Board of Directors of the Successor Agency, adopted Resolution No. SA-12-01 naming itself the "Imperial Beach Redevelopment Agency Successor Agency," the sole name by which it will exercise its powers and fulfill its duties pursuant to Part 1.85 of AB 26, and establishing itself as a separate legal entity with rules and regulations that will apply to the governance and operations of the Successor Agency; and

**WHEREAS**, as part of the FY 2012-2013 State budget package, on June 27, 2012, the Legislature passed and the Governor signed Assembly Bill No. 1484 ("AB 1484", Chapter 26, Statutes 2012). Although the primary purpose of AB 1484 is to make technical and substantive amendments to AB 26 based on issues that have arisen in the implementation of AB 26, AB 1484 imposes additional statutory provisions relating to the activities and obligations of successor agencies and to the wind down process of former redevelopment agencies; and

**WHEREAS**, Health and Safety Code Section 34179 of AB 26 as amended by AB 1484 establishes a seven (7) member local entity with respect to each successor agency and such

entity is titled the "oversight board." The oversight board has been established for the Successor Agency (hereinafter referred to as the "Oversight Board") and all seven (7) members have been appointed to the Oversight Board pursuant to Health and Safety Code Section 34179. The duties and responsibilities of the Oversight Board are primarily set forth in Health and Safety Code Sections 34179 through 34181 of AB 26 as amended by AB 1484; and

**WHEREAS**, pursuant to Health and Safety Code Section 34177 of AB 26, the Successor Agency (i) prepared its draft Recognized Obligation Payment Schedule ("ROPS") by March 1, 2012, (ii) adopted the draft ROPS on February 15, 2012 for the period ending June 30, 2012, as modified administratively by the Executive Director, (iii) submitted the draft ROPS to the State of California Controller's Office and the State of California Department of Finance ("Department of Finance") by April 15, 2012 for the period of January 1, 2012 through June 30, 2012, (iv) amended the draft ROPS as the first ROPS for submission to the State Controller's Office and the Department of Finance by April 15, 2012 and revised the ROPS to reflect the time period of January 1, 2012 through June 30, 2012 ("First ROPS"), and (v) adopted the second ROPS covering the period from July 1, 2012 through December 31, 2012 ("Second ROPS"); and

**WHEREAS**, in accordance with Health and Safety Code Sections 34177(l)(2)(B) and 34180(g) of AB 26, on April 11, 2012, the Oversight Board approved the First ROPS pursuant to Resolution No. OB-12-03 as proposed by the Successor Agency, and on April 11, 2012, the Oversight Board approved the Second ROPS pursuant to Resolution OB-12-04 as proposed by the Successor Agency; and

**WHEREAS**, pursuant to Health and Safety Code Section 34177 of AB 26 as amended by AB 1484, the Successor Agency adopted the third ROPS covering the period from January 1, 2013 through June 30, 2013 ("Third ROPS") on August 1, 2012 pursuant to Resolution No. SA-12-13; and

**WHEREAS**, the Third ROPS is now being submitted to the Oversight Board for review and approval in accordance with Health and Safety Code Sections 34177(l)(2)(B) and 34180(g) of AB 26 as amended by AB 1484. In this regard, as required by Health and Safety Code Section 34177(l)(2)(B), the Successor Agency has also submitted a copy of the Third ROPS to the County Administrative Officer, the County Auditor-Controller, and the Department of Finance at the same time that the Successor Agency has submitted the Third ROPS to the Oversight Board for approval; and

**WHEREAS**, pursuant to Health and Safety Code Section 34177(m) of AB 26 as amended by AB 1484, the Successor Agency is required to submit the Third ROPS for the period of January 1, 2013 through June 30, 2013, after its approval by the Oversight Board, to the Department of Finance and the County Auditor-Controller no later than September 1, 2012; and

**WHEREAS**, pursuant to Health and Safety Code Section 34177(l)(2)(C) of AB 26 as amended by AB 1484, a copy of the Third ROPS as approved by the Oversight Board shall be submitted to the County Auditor-Controller and both the State Controller's Office and the Department of Finance and shall be posted on the Successor Agency's internet website; and

**WHEREAS**, pursuant to Health and Safety Code Section 34177(m)(1) of AB 26 as amended by AB 1484, the Successor Agency shall submit a copy of the Third ROPS to the Department of Finance electronically and the Successor Agency shall have completed the Third ROPS in the manner provided by the Department of Finance; and



**WHEREAS**, pursuant to Health and Safety Code Section 34183(a)(2) of AB 26 as amended by AB 1484, the County is required to make a payment of property tax revenues (i.e. former tax increment funds) to the Successor Agency by January 2, 2013 for payments to be made toward recognized obligations listed on the Third ROPS for the period of January 1, 2013 through June 30, 2013; and

**WHEREAS**, pursuant to Health and Safety Code Section 34177(l)(3) of AB 26 as amended by AB 1484, the ROPS shall be forward looking to the next six (6) months; and

**WHEREAS**, according to Health and Safety Code Section 34177(l)(1) of AB 26 as amended by AB 1484, for each recognized obligation, the ROPS shall identify one or more of the following sources of payment: (i) Low and Moderate Income Housing Funds, (ii) bond proceeds, (iii) reserve balances, (iv) administrative cost allowance, (v) the Redevelopment Property Tax Trust Fund but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation or by the provisions of Part 1.85 of AB 26 as amended by AB 1484, and (vi) other revenue sources, including rents, concessions, asset sale proceeds, interest earnings, and any other revenues derived from the former Redevelopment Agency as approved by the Oversight Board in accordance with Part 1.85 of AB 26 as amended by AB 1484; and

**WHEREAS**, it is the intent of AB 26 as amended by AB 1484 that the ROPS serve as the designated reporting mechanism for disclosing the Successor Agency's bi-annual payment obligations by amount and source and that the County Auditor-Controller will be responsible for ensuring that the Successor Agency receives revenues sufficient to meet the requirements of the ROPS during each bi-annual period; and

**WHEREAS**, the Third ROPS covering the period of January 1, 2013 through June 30, 2013, as adopted by the Successor Agency is attached hereto as Exhibit "A"; and

**WHEREAS**, the Third ROPS is consistent with the requirements of the Health and Safety Code and other applicable law; and

**WHEREAS**, the Third ROPS contains the schedules for payments on enforceable obligations required for the applicable six-month period and sources of funds for repayment as required pursuant to Health and Safety Code Section 34177(l); and

**WHEREAS**, the Third ROPS includes an obligation pertaining to the estimated cost to the Successor Agency in the amount of \$40,000 to retain a licensed accountant to perform services relating to preparation of the due diligence review and related actions pursuant to Health and Safety Code Section 34179.5; and

**WHEREAS**, among other obligations listed on the Third ROPS, the cost to the Successor Agency in the estimated amount of \$40,000 to retain a licensed accountant to perform services pursuant to an agreement to be entered into by the Successor Agency and the selected accountant relating to preparation of the due diligence review and related actions pursuant to Health and Safety Code Section 34179.5 is included on the Third ROPS. Upon the Oversight Board's approval and effectiveness of the Third ROPS, such item will constitute an enforceable obligation of the Successor Agency pursuant to Health and Safety Code Sections 34171(d)(1)(C), 34171(d)(1)(F), and 34177.3(b), payable from the property tax revenues available to be allocated to the Successor Agency by the County to pay enforceable obligations pursuant to a valid ROPS; and

**WHEREAS**, among other obligations listed on the Third ROPS, the Successor Agency

approved the Successor Agency to reenter into the former Redevelopment Agency Reimbursement Agreement with the City of Imperial Beach, dated January 1, 2007, to reimburse the City for administrative and operational costs incurred by the City on behalf of the Successor Agency and the Successor Agency included the Reimbursement Agreement on the Third ROPS pursuant to Health and Safety Code Sections 34171(d)(1)(F) and 34178(a). Upon the Oversight Board's approval of this action of the Successor Agency pursuant to Health and Safety Code Sections 34171(d)(1)(F), 34178(a), and 34180(h) and upon the Oversight Board's approval and effectiveness of the Third ROPS, such Reimbursement Agreement will constitute an enforceable obligation of the Successor Agency payable from the property tax revenues available to be allocated to the Successor Agency by the County to pay enforceable obligations pursuant to a valid ROPS; and

**WHEREAS**, among other obligations listed on the Third ROPS, the Successor Agency included on the Third ROPS the use and commitment of available housing bond proceeds in the total amount of \$913,000 derived from a 2003 Bond issuance ("Excess Housing Bonds Proceeds") toward the Clean & Green Program in the approximate amount of \$380,000 and toward the Habitat for Humanity Project in the approximate amount of \$533,000 as designated in writing on July 24, 2012 by the City of Imperial Beach Housing Authority ("Housing Authority"), serving as the successor housing entity to the Redevelopment Agency pursuant to AB 26 as amended by AB 1484, to the Successor Agency pursuant to Health and Safety Code Section 34176(g)(1); and

**WHEREAS**, pursuant to Health and Safety Code Section 34176(g)(1)(B) of AB 26 as amended by AB 1484, review of the Housing Authority's designations of the use and commitment of the Excess Housing Bonds Proceeds by the Successor Agency, the Oversight Board and the Department of Finance shall be limited to a determination that the Housing Authority's designations of the use and commitment of such proceeds are consistent with the Housing Bonds covenant obligations, including requirements relating to tax status, and that there are sufficient Excess Housing Bonds Proceeds available for the designated purposes. Upon the Oversight Board's determination pursuant to Section 34176(g)(1)(B) and the Oversight Board's approval and effectiveness of the Third ROPS, the Housing Authority's designations of the use and commitment of the Excess Housing Bonds Proceeds toward the Clean & Green Program in the approximate amount of \$380,000 and toward the Habitat for Humanity Project in the approximate amount of \$533,000 will constitute an enforceable obligation of the Successor Agency payable from the Excess Housing Bonds Proceeds; and

**WHEREAS**, among other obligations listed on the Third ROPS, the Successor Agency included on the Third ROPS certain loans/advances made from Low and Moderate Income Housing Tax Increment Funds to pay enforceable obligations approved on the First ROPS and the Second ROPS where the Successor Agency had no other funding sources available to pay said enforceable obligations including, without limitation, payment of the May 2012 debt service payments on Bond Issuances. Pursuant to Health and Safety Code Section 34171(d)(1)(G) in pertinent part, amounts borrowed from, or payments owing to, the Low and Moderate Income Housing Fund may constitute enforceable obligations, provided that the Oversight Board approves the repayment schedule. Upon the Oversight Board's approval of the repayment schedule of the loans/advances made from Low and Moderate Income Housing Tax Increment Funds pursuant to Health and Safety Code Sections 34171(d)(1)(G) and 34180(a) and the Oversight Board's approval and effectiveness of the Third ROPS, the Successor Agency's loans/advances made from Low and Moderate Income Housing Tax Increment Funds will constitute enforceable obligations of the Successor Agency payable from the property tax revenues available to be allocated to the Successor Agency by the County to pay enforceable obligations pursuant to a valid ROPS; and

**WHEREAS**, pursuant to Health and Safety Code Section 34177(m), the Third ROPS as approved by the Oversight Board shall be submitted to the Department of Finance and the County Auditor-Controller by September 1, 2012 and subsequent six-month period ROPS as approved by the Oversight Board shall be submitted to the Department of Finance and County Auditor-Controller no fewer than ninety (90) days before the date of property tax distribution. Section 34177(m) further provides that the Department of Finance shall make its determination of the enforceable obligations and the amounts and funding sources of enforceable obligations no later than forty-five (45) days after the ROPS is submitted and that the Successor Agency may, within five (5) business days of the Department of Finance's determination, request an additional review by the Department of Finance and an opportunity to meet and confer on disputed items. In the event of a meet and confer and request for additional review, the meet and confer period may vary but the Department of Finance shall notify the Successor Agency and the County Auditor-Controller as to the outcome of its review at least fifteen (15) days before the date of property tax distribution; and

**WHEREAS**, this Resolution has been reviewed with respect to applicability of the California Environmental Quality Act ("CEQA"), the State CEQA Guidelines (California Code of Regulations, Title 14, Section 15000 *et seq.*, hereafter the "Guidelines"), and the City's environmental guidelines; and

**WHEREAS**, the activity proposed by this Resolution is not a "project" for purposes of CEQA, as that term is defined by Guidelines Section 15378, because this Resolution is an organizational or administrative activity that will not result in a direct or indirect physical change in the environment, per Section 15378(b)(5) of the Guidelines; and

**WHEREAS**, all of the prerequisites with respect to the approval of this Resolution have been met.

**NOW, THEREFORE, BE IT RESOLVED** by the Oversight Board of the Imperial Beach Redevelopment Agency Successor Agency, as follows:

- Section 1.** The foregoing recitals are true and correct and are a substantive part of this Resolution.
- Section 2.** The adoption of this Resolution is not intended to and shall not constitute a waiver by the Successor Agency of any constitutional, legal or equitable rights that the Successor Agency may have to challenge, through any administrative or judicial proceedings, the effectiveness and/or legality of all or any portion of AB 26 or AB 1484, any determinations rendered or actions or omissions to act by any public agency or government entity or division in the implementation of AB 26 or AB 1484, and any and all related legal and factual issue, and the Successor Agency expressly reserved any and all rights, privileges, and defenses available under law and equity.
- Section 3.** The Oversight Board hereby approves and adopts the Third ROPS, in substantially the form attached to this Resolution as Exhibit "A," pursuant to Health and Safety Code Sections 34177(l) and 34180(g) of AB 26 as amended by AB 1484.
- Section 4.** As part of the approval of the Third ROPS, the Oversight Board hereby approves the cost to the Successor Agency in the estimated amount of \$40,000 to retain a licensed accountant to perform services pursuant to

an agreement to be entered into by the Successor Agency and the selected accountant relating to preparation of the due diligence review and related actions pursuant to Health and Safety Code Section 34179.5 and such item shall constitute an enforceable obligation of the Successor Agency, pursuant to Health and Safety Code Sections 34171(d)(1)(C), 34171(d)(1)(F), and 34177.3(b) of AB 26 as amended by AB 1484.

**Section 5.** As part of the approval of the Third ROPS, the Oversight Board hereby approves the Successor Agency reentering into the former Redevelopment Agency Reimbursement Agreement with the City of Imperial Beach, dated January 1, 2007, to reimburse the City for administrative and operational costs incurred by the City on behalf of the Successor Agency and such Reimbursement Agreement shall constitute an enforceable obligation of the Successor Agency and such Reimbursement Agreement shall constitute an enforceable obligation of the Successor Agency, pursuant to Health and Safety Code Sections 34171(d)(1)(F), 34178(a), and 34180(h) of AB 26 as amended by AB 1484.

**Section 6.** The Oversight Board has rendered, pursuant to Resolution No. OB-12-08, its determination pursuant to Health and Safety Code Section 34176(g)(1)(B), to wit: that the Housing Authority's designations of the use and commitment of the Excess Housing Bonds Proceeds are consistent with the Housing Bonds covenant obligations, including requirements relating to tax status, and that there are sufficient Excess Housing Bonds Proceeds available for the designated purposes. As part of the approval of the Third ROPS, the Oversight Board hereby acknowledges and agrees that the Housing Authority's designations of the use and commitment of the Excess Housing Bonds Proceeds toward the Clean & Green Program in the approximate amount of \$380,000 and toward the Habitat for Humanity Project in the approximate amount of \$533,000 shall constitute an enforceable obligation of the Successor Agency, pursuant to Health and Safety Code Section 34176(g) of AB 26 as amended by AB 1484.

**Section 7.** As part of the approval of the Third ROPS, the Oversight Board hereby approves the repayment of certain loans/advances made from Low and Moderate Income Housing Tax Increment Funds to pay enforceable obligations approved on the First ROPS and the Second ROPS where the Successor Agency had no other funding sources available to pay said enforceable obligations including, without limitation, payment of the May 2012 debt service payments on Bond Issuances, and such loans/advances shall constitute enforceable obligations of the Successor Agency, pursuant to Health and Safety Code Sections 34171(d)(1)(G) and 34180(a) of AB 26 as amended by AB 1484.

**Section 8.** The Oversight Board hereby directs the Successor Agency to submit copies of the Third ROPS approved by this Resolution as required under AB 26 as amended by AB 1484, in the method required, and in a manner to avoid a late submission or accrual of any penalties. In this regard, The Executive Director, or designee, of the Successor Agency is hereby authorized and directed to: (i) submit the Third ROPS, as approved by the Oversight Board, to the Department of Finance (electronically) and the

County Auditor-Controller no later than September 1, 2012; (ii) submit a copy of the Third ROPS, as approved by the Oversight Board, to the State Controller's Office and post the Third ROPS on the Successor Agency's internet website; and (iii) revise the Third ROPS, and make such changes and amendments as necessary, before official submittal of the Third ROPS to the Department of Finance, in order to complete the Third ROPS in the manner provided by the Department of Finance and to conform the Third ROPS to the form or format as prescribed by the Department of Finance.

**Section 9.** The Executive Director, or designee, of the Successor Agency is hereby authorized and directed to take such other actions and execute such other documents as are necessary to effectuate the intent of this Resolution on behalf of the Successor Agency.

**Section 10.** The Oversight Board determines that this Resolution is not a "project" for purposes of CEQA, as that term is defined by Guidelines section 15378, because this Resolution is an organizational or administrative activity that will not result in a direct or indirect physical change in the environment, per section 15378(b)(5) of the Guidelines.

**Section 11.** If any provision of this Resolution or the application of any such provision to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Resolution that can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable. The Oversight Board declares that its board would have adopted this Resolution irrespective of the invalidity of any particular portion of this Resolution.

**Section 12.** This Resolution shall take effect upon the date of its adoption.

**PASSED, APPROVED, AND ADOPTED** by the Oversight Board of the Imperial Beach Redevelopment Agency Successor Agency at its meeting held on the 22<sup>nd</sup> day of August 2012, by the following vote:

<b>AYES:</b>	<b>BOARD MEMBERS:</b>	<b>WINTER, SAADAT, HENTSCHE,</b>
		<b>GOODWIN-COLBERT, FOLTZ, FERNANDEZ</b>
<b>NOES:</b>	<b>BOARD MEMBERS:</b>	<b>NONE</b>
<b>ABSENT:</b>	<b>BOARD MEMBERS:</b>	<b>NONE</b>
<b>DISQUALIFIED:</b>	<b>BOARD MEMBERS:</b>	<b>WEST</b>

/s/  
**MAYDA WINTER, CHAIRPERSON**

**ATTEST:**

/s/  
**JACQUELINE M. HALL, MMC**  
**SECRETARY**

**EXHIBIT "A"**

**IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY  
RECOGNIZED OBLIGATION PAYMENT SCHEDULE  
January 1, 2013 through June 30, 2013  
("Third ROPS")**

**Approved on August 22, 2012**

**(See Attachment)**

### Successor Agency Contact Information

Name of Successor Agency:	<u>Imperial Beach</u>
County:	<u>San Diego</u>
Primary Contact Name:	<u>Greg Wade</u>
Primary Contact Title:	<u>Deputy Director</u>
Address	<u>825 Imperial Beach Blvd, Imperial</u>
Contact Phone Number:	<u>Beach, CA 91932</u>
Contact E-Mail Address:	<u>619-628-1354</u>
	<u>gwade@cityofib.org</u>
Secondary Contact Name:	<u>Gary Brown</u>
Secondary Contact Title:	<u>Executive Director</u>
Secondary Contact Phone Number:	<u>619-423-0314</u>
Secondary Contact E-Mail Address:	<u>gbrown@cityofib.org</u>

**SUMMARY OF RECOGNIZED OBLIGATION PAYMENT SCHEDULE**  
Filed for the January 1, 2013 to June 30, 2013 Period

Name of Successor Agency: Imperial Beach

	Total Outstanding Debt or Obligation
Outstanding Debt or Obligation	\$ 111,583,105
Current Period Outstanding Debt or Obligation	Six-Month Total
A Available Revenues Other Than Anticipated RPTTF Funding	913,000
B Anticipated Enforceable Obligations Funded with RPTTF	5,774,108
C Anticipated Administrative Allowance Funded with RPTTF	270,510
D Total RPTTF Requested (B + C = D)	6,044,618
Total Current Period Outstanding Debt or Obligation (A + B + C = E) <i>Should be the same amount as ROPS form six-month total</i>	\$ 6,957,618
E Enter Total Six-Month Anticipated RPTTF Funding <i>(Obtain from county auditor-controller)</i>	3,400,000
F Variance (E - D = F) <i>Maximum RPTTF Allowable should not exceed Total Anticipated RPTTF Funding</i>	\$ (2,644,618)
Prior Period (January 1, 2012 through June 30, 2012) Estimated vs. Actual Payments (as required in HSC section 34186 (a))	
G Enter Estimated Obligations Funded by RPTTF <i>(Should be the lesser of Finance's approved RPTTF amount including admin allowance or the actual amount distributed)</i>	3,420,215
H Enter Actual Obligations Paid with RPTTF	3,205,954
I Enter Actual Administrative Expenses Paid with RPTTF	250,000
J Adjustment to Redevelopment Obligation Retirement Fund (G - (H + I) = J)	-
K Adjusted RPTTF <i>(The total RPTTF requested shall be adjusted if actual obligations paid with RPTTF are less than the estimated obligation amount.)</i>	\$ 6,044,618

Certification of Oversight Board Chairman:  
Pursuant to Section 34177(m) of the Health and Safety code,  
I hereby certify, based on my information and belief,  
that the above is a true and accurate Recognized  
Obligation Payment Schedule for the above named agency.

MAYDA C. WINTER  
Name  
/s/  
Signature

CHAIR  
Title  
8/22/12  
Date

Note: Item E - Although requested by the Successor Agency ("SA"), the San Diego County Auditor-Controller ("County A-C") will not provide anticipated RPTTF Funding until after September 1, 2012. Therefore, this estimate is a good faith estimate of the SA based on prior year actual tax increment funding.

Item F - Because there will be a deficit for the period of January 1, 2013 through June 30, 2013, the SA intends on issuing a Notice of Insufficient Funds prior to December 1, 2012 to the County A-C notifying the County A-C pursuant to Section 34183(b) that the SA has insufficient funds to make payments on all obligations for the period ending June 30, 2013.

Item G - This amount was provided by letter dated July 9, 2012 from the County A-C to Gregory Wade of the City of Imperial Beach as the amount DOF approved maximum RPTTF, as discussed with and agreed to by the DOF.



Oversight Board Approval Date

RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS III)  
January 1, 2013 through June 30, 2013

Note 1:	To the extent RPTTF is not available to pay an enforceable obligation, then the SA is authorized pursuant to Section 34177(a)(5) to make payments on an enforceable obligation from any other funds it may have available, if any, at the time a payment is to be made.
Note 2:	All citations to "Section" are to the Health and Safety Code unless otherwise indicated.

Name of Successor Agency: Imperial Beach  
County: San Diego

RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS III) – Notes (Optional)  
January 1, 2013 through June 30, 2013

Item #	Notes/Comments
All	To the extent RPTTF is not available to pay an enforceable obligation, then the SA is authorized to make payments on an enforceable obligation from any other funds it may have available, if any, at the time a payment is to be made.
3	A bond debt service reserve must be established to meet cash flow requirements of the bond debt service payments listed in item 3. There are semi-annual debt service payments made 5 days before June 1 and 5 days before December 1 of each year. The December payment is interest only and the June payment is principal and interest. The June payment totals \$1,020,792 while the December payment totals approximately \$518,787. The amount of property tax available to the SA will typically be greater in January than in June. The \$518,787 requested for bond debt service reserve is intended to ensure that, together with the amount of property tax anticipated to be distributed to the SA in June 2013, sufficient funds will be available to make the December 2013 payment. This reserve for a bond debt service payment due December 2013, constitutes an enforceable obligation pursuant to Health and Safety Code Section 34171(d)(1)(A) and 34171(d)(1)(E).
4	A bond debt service reserve must be established to meet cash flow requirements of the bond debt service payments listed in item 4. There are semi-annual debt service payments made 5 days before June 1 and 5 days before December 1 of each year. The December payment is interest only and the June payment is principal and interest. The June payment totals \$655,953 while the December payment totals approximately \$524,003. The amount of property tax available to the SA will typically be greater in January than in June. The \$518,787 requested for bond debt service reserve is intended to ensure that, together with the amount of property tax anticipated to be distributed to the SA in June 2013, sufficient funds will be available to make the December 2013 payment. This reserve for a bond debt service payment due December 2013, constitutes an enforceable obligation pursuant to Health and Safety Code Section 34171(d)(1)(A) and 34171(d)(1)(E).
5-7	In order to make required payments on enforceable obligations listed in the approved ROPS 1 and ROPS 2, funds from the Low and Moderate Income Housing Fund were required to be loaned/advanced to the SA for the SA to make such required payments. These funds are otherwise committed to be used toward providing the required affordable housing as required by the California Community Redevelopment Law to address to deficit of affordable housing within the City. Such loans/advances are enforceable obligations pursuant to Section 34171(d)(1)(G) upon the Oversight Board's approval of the repayment schedule pursuant to Section 34180(a). The repayment schedule is upon receipt of property taxes from the County as listed on the Third ROPS and any future ROPS, subject to the repayment restrictions set forth in Section 34176(e)(6)(B). On August 1, 2012, pursuant to Resolution SA-12-13, the SA approved the repayment of these loans/advances. However, such repayment of the loans/advances to the Housing Authority is subject to the repayment restrictions set forth in Section 34176(e)(6)(B) or as otherwise required by law.
8	The funding required by the Housing Agreement is also authorized by former Redevelopment Agency Resolution No. 2011-8989 and City Council Resolution No. R-11-241 Establishing Housing Authority & Authorizing Transfer of Funds.
9	This is a project consistent with the use of bond proceeds pursuant to the 2003 Tax Allocation Bonds Series A, an enforceable obligation pursuant to Section 34171(d)(1)(A), and furthers the purposes for which the bonds were issued, in accordance with Section 34177(i). In addition, pursuant to Section 34176(g), the Housing Authority's issued a Notice to the SA dated July 24, 2012 designating the use and commitment of these Excess Housing Bonds Proceeds toward the Clean & Green Program in the amount of \$380,000. On August 1, 2012 by Resolution SA-12-11, the SA made the determination that (i) the use and commitment of these Excess Housing Bonds Proceeds is consistent with the 2003 Housing Bonds covenant obligations, including requirements relating to tax status, and (ii) that there are sufficient Excess Housing Bonds Proceeds available for the designated purposes. These same determinations were presented to the Oversight Board on August 22, 2012. Upon approval of the Third ROPS, these funds will be transferred from Housing Authority to the SA for disbursement pursuant to Section 34176(g). The use of these funds toward this project were included on the now effective First ROPS as approved by the SA and Oversight Board and not disputed by the DOF.
10	This is a project consistent with the use of bond proceeds pursuant to the 2003 Tax Allocation Bonds Series A, an enforceable obligation pursuant to Section 34171(d)(1)(A), and furthers the purposes for which the bonds were issued, in accordance with Section 34177(i). In addition, pursuant to Section 34176(g), the Housing Authority's issued a Notice to the SA dated July 24, 2012 designating the use and commitment of these Excess Housing Bonds Proceeds toward the Habitat Project in the amount of \$533,000. On August 1, 2012 by Resolution SA-12-11, the SA made the determination that (i) the use and commitment of these Excess Housing Bonds Proceeds is consistent with the 2003 Housing Bonds covenant obligations, including requirements relating to tax status, and (ii) that there are sufficient Excess Housing Bonds Proceeds available for the designated purposes. These same determinations were presented to the Oversight Board on August 22, 2012. Upon approval of the Third ROPS, these funds will be transferred from Housing Authority to the SA for disbursement pursuant to Section 34176(g). The use of these funds toward this project were included on the now effective First ROPS as approved by the SA and Oversight Board and not disputed by the DOF.
12	On August 1, 2012 pursuant to Resolution No. SA-12-13, the SA approved the SA reentering into this City Services Agreement between the City of Imperial Beach and the former Redevelopment Agency in order to reimburse the City for costs incurred in connection with administrative and operational costs of the SA. This approval has been proposed and submitted to the Oversight Board for consideration on August 22, 2012. Upon the Oversight Board's approval of the SA reentering into such Agreement, this item constitutes an enforceable obligation pursuant to Sections 34171(d)(1)(F), 34178(a), and 34180(b).
13	Each of these Legal Services Agreement were executed by the former RDA and constitute an enforceable obligation pursuant to Section 34171(d)(1)(E). In addition, the services assist the SA in its wind down of former RDA affairs and therefore constitute enforceable obligations pursuant to Sections 34171(d)(1)(F) and 34177.3(b).

[illegible]

Name of Successor Agency: Imperial Beach  
County: San Diego

Pursuant to Health and Safety Code section 34186 (a)  
PRIOR PERIOD ESTIMATED OBLIGATIONS vs. ACTUAL PAYMENTS  
RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS I)  
January 1, 2012 through June 30, 2012

Page Form	Line	Project Name / Debt Obligation	Payee	Description/Project Scope	Project Area	LMHF		Bond Proceeds		Reserve Balance		Admin Allowance		RPTTF		Other	
						Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate	Actual
		<b>Grand Total:</b>				\$ 4,128,861	\$ 4,318,258	\$ 12,780,463	\$ 11,704,893	\$ -	\$ 656,431	\$ -	\$ -	\$ 4,113,525	\$ 3,455,054	\$ 1,051,008	\$ 1,051,008
1	1	2003 Tax Allocation Bonds Series A	Wells Fargo Bank	Bond Debt Service	From American Legion San Diego P.M. Inc.												
1	2	2010 Tax Allocation Bonds Series	Wells Fargo Bank	Bond Debt Service	From American Legion San Diego P.M. Inc.		671,022										
1	3	City Loan 1995	City of Imperial Beach	Loan to finance start up costs	From American Legion San Diego P.M. Inc.											1,051,008	1,051,008
2	1	Housing Management	See Attached	Mgt costs for Low/Med Housing Program	From American Legion San Diego P.M. Inc.	24,544	14,545										
2	2	Housing Agreement	Imperial Beach	Support costs	From American Legion San Diego P.M. Inc.	75,000	75,000										
2	3	Hemlock Monitoring	Housing Authority/City Finance	South Bay Comm. Svcs Loan	From American Legion San Diego P.M. Inc.	2,611	0										
2	4	Callin Monitoring	Housing Authority/City Finance	South Bay Comm. Svcs Loan	From American Legion San Diego P.M. Inc.	2,611	0										
2	5	Beachwood Monitoring	Housing Authority/City Finance	Beachwood Loan	From American Legion San Diego P.M. Inc.	2,611	0										
2	6	Housing Reporting	Housing Authority/City Finance	RDA Statutory Compliance	From American Legion San Diego P.M. Inc.	8,765	0										
2	7	Clean & Green Monitoring	Housing Authority	10 yr Contract Compliance	From American Legion San Diego P.M. Inc.	163	0										
2	8	Darfelt Housing Oblig.	Housing Authority	RDA Statutory Compliance	From American Legion San Diego P.M. Inc.	5,000											
2	9	Age Proportionality	Housing Authority	RDA Statutory Compliance	From American Legion San Diego P.M. Inc.	5,000	6,046										
2	10	American Legion	Kane Balmor	Low/Med Housing Project	From American Legion San Diego P.M. Inc.	10,000	34,901										
2	11	American Legion	Kevet Marston Assoc.	Low/Med Housing Project	From American Legion San Diego P.M. Inc.	10,000	4,209										
2	12	American Legion	Hilcke Development	Low/Med Housing Project	From American Legion San Diego P.M. Inc.	3,880,268	3,587,712										
2	13	American Legion	Project Management	Low/Med Housing Project	From American Legion San Diego P.M. Inc.	75,000	2,522										
2	14	Housing Element	Tam	Housing Element	From American Legion San Diego P.M. Inc.	77,250	11,368										
2	30	Affordable Housing	SOUTH BAY COMMUNITY SVCS	Tax Exempt Bond Indenture Project	From American Legion San Diego P.M. Inc.			12,183	12,183								
2	41	Clean & Green	WESTERN WINDOW REPLACEMENT	Tax Exempt Bond Indenture Project	From American Legion San Diego P.M. Inc.			21,286	0								
2	42	Clean & Green	ALCARES DESIGN	Tax Exempt Bond Indenture Project	From American Legion San Diego P.M. Inc.			2,400	400								
2	43	Clean & Green	Hallers Electric	Tax Exempt Bond Indenture Project	From American Legion San Diego P.M. Inc.			13,140	13,140								
2	21	Clean & Green	Chicago Title	Tax Exempt Bond Indenture Project	From American Legion San Diego P.M. Inc.			0	2,500								
2	27	Clean & Green	HARLAN CONSTRUCTION	Tax Exempt Bond Indenture Project	From American Legion San Diego P.M. Inc.			0	5,800								
2	32	Clean & Green	ROCK AND ROSE LANDSCAPE	Tax Exempt Bond Indenture Project	From American Legion San Diego P.M. Inc.			0	2,000								
2	44	Clean & Green	Various Contractors	Tax Exempt Bond Indenture Project	From American Legion San Diego P.M. Inc.			380,000	11,061								
2	45	Housing Project	Habitat P.M.	Tax Exempt Bond Indenture Project	From American Legion San Diego P.M. Inc.			500,000	0								
2	46	Housing Project	Project Management for Habitat	Tax Exempt Bond Indenture Project	From American Legion San Diego P.M. Inc.			95,000	17,879								
3	1	RDA Management	Various	Admin of RDA	From American Legion San Diego P.M. Inc.												
3	2	Admin Costs	City of Imperial Beach	Per AS 26	From American Legion San Diego P.M. Inc.												
3	3	RDA Accrued Liabilities	City of Imperial Beach	Vacation/Ret. Liability as of 1/31/2012	From American Legion San Diego P.M. Inc.											415,637	250,000
3	4	RDA Unfunded PERS Liability	City of Imperial Beach	Unfunded Pension Liability as of 1/31/2012	From American Legion San Diego P.M. Inc.											203,233	203,233
3	5	RDA 30 Layoff Notice Cost	City of Imperial Beach	Labor Contract Requirement	From American Legion San Diego P.M. Inc.											319,520	513,278
3	6	RDA Outstanding VAC Liability	City of Imperial Beach	Workers Compensation Liability 1/31/2012	From American Legion San Diego P.M. Inc.											28,646	28,646
3	7	Graffiti Abatement	Various	RDA Statutory and Program Costs	From American Legion San Diego P.M. Inc.											2,829	2,829
3	8	Continuing Disclosure	Wells Fargo	Mandatory Annual Bond Disclosure	From American Legion San Diego P.M. Inc.											17,522	0
3	9	Continuing Disclosure	Bond Management/NBS	Mandatory Annual Bond Disclosure	From American Legion San Diego P.M. Inc.											3,200	0
3	10	Continuing Disclosure	KDL	Assessment Information	From American Legion San Diego P.M. Inc.											3,800	0
3	11	Continuing Disclosure	Lanes Golf	Audit Fees	From American Legion San Diego P.M. Inc.											4,000	0
3	12	IBCC Monitoring	City of Imperial Beach	IB Community Clinic Loan	From American Legion San Diego P.M. Inc.											6,075	0
3	13	RDA Statute Compliance	City of Imperial Beach	Compliance	From American Legion San Diego P.M. Inc.											70,000	0
3	14	City Service Agreement	City of Imperial Beach	Overnight and related costs	From American Legion San Diego P.M. Inc.											2,611	0
3	15	Hotel DGA Compliance	City of Imperial Beach	DDA Compliance Issues	From American Legion San Diego P.M. Inc.											2,611	0
3	16	Capital Trailer Rental	Berns	Trailer for Project Management	From American Legion San Diego P.M. Inc.											200,000	156,048
3	17	Legal	McDougal/Kane Balmor	Legal expenses	From American Legion San Diego P.M. Inc.											5,000	1,978
3	18	Interim Audit Management	City of Imperial Beach	Additional Audit Requirement	From American Legion San Diego P.M. Inc.											28,366	0
4	1	Commercial Zoning	City of IB - AECCM	Tax Exempt Bond Indenture Project. Incurred \$55,103 from 1/1/12 - 6/30/12. See Note 2 below.	From American Legion San Diego P.M. Inc.			80,333	80,333							10,000	0
4	2	Commercial Zoning	City of IB - Project Management	Tax Exempt Bond Indenture Project. Incurred \$937 from 1/1/12 - 6/30/12. See Note 2 below.	From American Legion San Diego P.M. Inc.			83,330	83,330								
4	3	Highway 76 Improvements	City of IB - Sucberry	Tax Exempt Bond Indenture Project. Incurred \$0 from 1/1/12 - 6/30/12. See Note 2 below.	From American Legion San Diego P.M. Inc.			2,200,000	2,200,000							0	
4	4	Highway 76 Improvements	City of IB - Noland Engineering	Tax Exempt Bond Indenture Project. Incurred \$1,640 from 1/1/12 - 6/30/12. See Note 2 below.	From American Legion San Diego P.M. Inc.			67,892	67,662								

Page /Form	Line	Project Name / Debt Obligation	Payee	Description/Project Scope	Project Area	LMIF		Bond Proceeds		Reserve Balance		Admin Allowance		RPTF		Other	
						Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate	Actual
4	6	Highway 75 Improvements	City of IB - Project Design Consultant	Tax Exempt Bond Indenture Project. Incurred \$3,527 from 1/1/12 - 6/30/12. See Note 2 below.	Port of Los Angeles Harbor Center PAF, PAC			135,107	105,107								
4	7	Bayshore Bikeway Access	City of IB - Project Management	Tax Exempt Bond Indenture Project. Incurred \$12,790 from 1/1/12 - 6/30/12. See Note 2 below.	Port of Los Angeles Harbor Center PAF, PAC			18,000	18,300								
4	8	Bayshore Bikeway Access	City of IB - RBF Consulting/Other	Tax Exempt Bond Indenture Project. Incurred \$10,640 from 1/1/12 - 6/30/12. See Note 2 below.	Port of Los Angeles Harbor Center PAF, PAC			23,094	26,094								
4	9	Sand Replenishment	City of IB - SANBAG	Tax Exempt Bond Indenture Project. Incurred \$174,003 Dec 2011. See Note 2 below.	Port of Los Angeles Harbor Center PAF, PAC			174,003	174,003								
4	10	Street Improvements Phase 3	City of IB - Westland	Tax Exempt Bond Indenture Project. Incurred \$29,562 from 1/1/12 - 6/30/12. See Note 2 below.	Port of Los Angeles Harbor Center PAF, PAC			54,669	54,669								
4	11	Street Improvements Phase 3	City of IB - SOGE	Tax Exempt Bond Indenture Project. Incurred \$0 from 1/1/12 - 6/30/12. See Note 2 below.	Port of Los Angeles Harbor Center PAF, PAC			5,000	5,000								
4	12	Street Improvements Phase 3	City of IB - Eagle Newspaper	Tax Exempt Bond Indenture Project. Incurred \$0 from 1/1/12 - 6/30/12. See Note 2 below.	Port of Los Angeles Harbor Center PAF, PAC			1,000	1,000								
4	13	Street Improvements Phase 3	City of IB - Project Management	Tax Exempt Bond Indenture Project. Incurred \$34,252 from 1/1/12 - 6/30/12. See Note 2 below.	Port of Los Angeles Harbor Center PAF, PAC			30,000	30,000								
4	14	Street Improvements Phase 3	City of IB - PAL General Engineering	Tax Exempt Bond Indenture Project. Incurred \$271,6253 from 1/1/12 - 6/30/12. See Note 2 below.	Port of Los Angeles Harbor Center PAF, PAC			1,350,760	1,350,760								
4	15	Street Improvements Phase 4-5	City of IB - BDS	Tax Exempt Bond Indenture Project. Incurred \$0,327 from 1/1/12 - 6/30/12. See Note 2 below.	Port of Los Angeles Harbor Center PAF, PAC			0	0								
4	16	Street Improvements Phase 4-5	City of IB - Geosolis	Tax Exempt Bond Indenture Project. Incurred \$3,620 from 1/1/12 - 6/30/12. See Note 2 below.	Port of Los Angeles Harbor Center PAF, PAC			0	0								
4	18	Street Improvements Phase 4-5	City of IB - Project Management	Tax Exempt Bond Indenture Project. Incurred \$40,242 from 1/1/12 - 6/30/12. See Note 2 below.	Port of Los Angeles Harbor Center PAF, PAC			30,000	30,000								
4	19	Street Improvements Phase 4-5	City of IB - Southland Paving, Inc.	Tax Exempt Bond Indenture Project. Incurred \$2,032,563 from 1/1/12 - 6/30/12. See Note 2 below.	Port of Los Angeles Harbor Center PAF, PAC			4,047,331	4,047,331								
4	20	13th Street ADA Imp	City of IB - Project Management	Tax Exempt Bond Indenture Project. Incurred \$2,525 from 1/1/12 - 6/30/12. See Note 2 below.	Port of Los Angeles Harbor Center PAF, PAC			12,000	12,000								
4	21	Skatepark Fence	City of IB - BDS	Tax Exempt Bond Indenture Project. Incurred \$855 from 1/1/12 - 6/30/12. See Note 2 below.	Port of Los Angeles Harbor Center PAF, PAC			3,000	3,000								
4	22	Skatepark Fence	City of IB - Harris Steel Fence	Tax Exempt Bond Indenture Project. Incurred \$66,281 from 1/1/12 - 6/30/12. See Note 2 below.	Port of Los Angeles Harbor Center PAF, PAC			97,782	97,782								
4	23	Skatepark Fence	City of IB - Project Management	Tax Exempt Bond Indenture Project. Incurred \$3,458 from 1/1/12 - 6/30/12. See Note 2 below.	Port of Los Angeles Harbor Center PAF, PAC			10,656	10,656								
4	24	Skatepark Fence	City of IB - US Bank	Tax Exempt Bond Indenture Project. Incurred \$0 from 1/1/12 - 6/30/12. See Note 2 below.	Port of Los Angeles Harbor Center PAF, PAC			500	500								
4	25	Bikeway Village Project	City of IB - Keyser Marston Assoc.	Tax Exempt Bond Indenture Project. Incurred \$7,417 from 1/1/12 - 6/30/12. See Note 2 below.	Port of Los Angeles Harbor Center PAF, PAC			26,652	26,652								
4	26	Bikeway Village Project	City of IB - Bikeway Village, LLC	Tax Exempt Bond Indenture Project. Incurred \$0 from 1/1/12 - 6/30/12. See Note 2 below.	Port of Los Angeles Harbor Center PAF, PAC			1,940,700	1,940,700								
4	28	Bikeway Village Project	City of IB - Kecon Environmental	Tax Exempt Bond Indenture Project. Incurred \$24,867 from 1/1/12 - 6/30/12. See Note 2 below.	Port of Los Angeles Harbor Center PAF, PAC			65,298	65,298								
4	29	Bikeway Village Project	City of IB - Robert Becker	Tax Exempt Bond Indenture Project. Incurred \$0 from 1/1/12 - 6/30/12. See Note 2 below.	Port of Los Angeles Harbor Center PAF, PAC			35,000	35,000								
4	30	Bikeway Village Project	City of IB - Oppet Varco	Tax Exempt Bond Indenture Project. Incurred \$0 from 1/1/12 - 6/30/12. See Note 2 below.	Port of Los Angeles Harbor Center PAF, PAC			17,500	17,500								
4	31	Bikeway Village Project	City of IB - Project Management/Legal	Tax Exempt Bond Indenture Project. Incurred \$11,583 from 1/1/12 - 6/30/12. See Note 2 below.	Port of Los Angeles Harbor Center PAF, PAC			30,000	30,000								
4	32	Façade Program	Benson / Harlan Construction	Tax Exempt Bond Indenture Project.	Port of Los Angeles Harbor Center PAF, PAC			1,400	2,400								
4	34	Façade Program	El Taplo	Tax Exempt Bond Indenture Project.	Port of Los Angeles Harbor Center PAF, PAC			20,000	0								
4	35	Façade Program	La Poste	Tax Exempt Bond Indenture Project.	Port of Los Angeles Harbor Center PAF, PAC			40,000	0								

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The SA issued a Notice of Insufficient Funds dated March 28, 2012 to the County A-C notifying the County A-C pursuant to Section 34183(b) that the SA has insufficient funds to make payments on all obligations for the period ending June 30, 2012. In addition, the SA submitted a cash flow analysis to the County A-C in support of its Notice showing a deficit of \$1,193,320.



# City of Imperial Beach, California

OFFICE OF THE CITY MANAGER

825 Imperial Beach Blvd., Imperial Beach, CA 91932 Tel: (619) 423-8303 Fax: (619) 628-1395

December 7, 2012

## VIA ELECTRONIC MAIL

Chair and Members of the Oversight Board for the Imperial Beach Redevelopment Agency Successor Agency

Ana Matosantos, Director  
Steve Szalay, Local Government  
Consultant  
Department of Finance  
State of California  
915 L Street  
Sacramento, California 95814-3706  
[redvelopment\\_administration@dof.ca.gov](mailto:redvelopment_administration@dof.ca.gov)  
[ov](#)

John Chiang, Controller  
T. Austin  
California State Controller's Office  
P.O. Box 942850  
Sacramento, California 94250  
[eo inquiry@sco.ca.gov](mailto:eo inquiry@sco.ca.gov)  
[taustin@sco.ca.gov](mailto:taustin@sco.ca.gov)  
[RDA-SDSupport@sco.ca.gov](mailto:RDA-SDSupport@sco.ca.gov)

Tracy M. Sandoval, Assistant Chief  
Financial Officer  
Auditor-Controller  
County of San Diego  
1600 Pacific Highway; Room 166  
San Diego, California 92101  
[PTS.FGG@sdcounty.ca.gov](mailto:PTS.FGG@sdcounty.ca.gov)  
[tracy.sandoval@sdcounty.ca.gov](mailto:tracy.sandoval@sdcounty.ca.gov)

Walter F. Ekard, County Administrative  
Officer  
County of San Diego  
1600 Pacific Coast Highway; Room 209  
San Diego, California 92101  
[cao\\_mail@sdcounty.ca.gov](mailto:cao_mail@sdcounty.ca.gov)

**SUBJECT: SUBMITTAL OF THE DUE DILIGENCE REVIEW FOR OTHER REDEVELOPMENT AGENCY FUNDS ("NON-HOUSING DDR") AND RELATED RESULTS; SUBMITTAL OF ROPS AND ACCOUNTANT APPROVAL LETTER**

Dear Chair and Members of the Oversight Board; Messrs. Szalay, Chiang, Austin, and Ekard; and Meses. Matosantos and Sandoval:

Pursuant to California Health and Safety Code ("Health and Safety Code") Section 34179.6(a), by December 15, 2012, the Imperial Beach Redevelopment Agency Successor Agency ("Successor Agency") is required to submit to the Oversight Board ("Oversight Board") for the Successor Agency, the San Diego County Auditor-Controller, the State Controller, and the State Department of Finance the results of the Due Diligence Review conducted pursuant to Health and Safety Code Section 34179.5 for all of the other fund and account balances of the Former Redevelopment Agency (other



than the Low and Moderate Income Housing Fund) and specifically the amount of cash and cash equivalents determined to be available for allocation to taxing entities.

In accordance with Health and Safety Code Section 34179.6(a), the Successor Agency hereby submits to you the enclosed Due Diligence Review of Other Redevelopment Agency Funds (the "Non-Housing Due Diligence Review") prepared by Lance Soll & Lunghard, LLP, certified public accountants. The Non-Housing Due Diligence Review includes the results of the review conducted pursuant to Health and Safety Code Section 34179.5 for all other fund and account balances and specifically the amount of cash and cash equivalents determined to be available for allocation to taxing entities. As indicated on Attachment B10 on Page 18 of the Non-Housing Due Diligence Review, this amount is determined to be zero.

As required by Health and Safety Code Section 34179.5, the Successor Agency retained the services of a licensed accountant, Lance Soll & Lunghard, LLP, to conduct a due diligence review to determine the unobligated balances available for transfer to taxing entities in furtherance of Health and Safety Code Section 34177(d). Lance Soll & Lunghard, LLP, was specifically approved by the San Diego County Auditor-Controller to perform the due diligence review. The State Department of Finance requests that verification of such approval be submitted when the Due Diligence Review is submitted by the Successor Agency. Therefore, in accordance with such request, a true and correct copy of the letter from the San Diego County Auditor-Controller, dated August 28, 2012, and approving said accounting firm is enclosed herewith.

Health and Safety Code Section 34179.6 requires the Successor Agency to submit a copy of the Recognized Obligation Payment Schedule ("ROPS") to the San Diego County Administrative Officer, the San Diego County Auditor-Controller, and the State Department of Finance at the same time the Successor Agency submits the Due Diligence Review to the Oversight Board for review. Therefore, in accordance with Section 34179.6, please see enclosed herewith the ROPS approved by the Oversight Board, and not objected to by the State Department of Finance, for the periods January 1, 2012 through June 30, 2012 and July 1, 2012 through December 31, 2012, and the ROPS approved by the Oversight Board, and submitted to the State Department of Finance for review, for the period January 1, 2013 through June 30, 2013. This Third ROPS is still pending review by the Department of Finance after a Meet and Confer with Successor Agency staff held on November 16, 2012.

Upon the Oversight Board's receipt of the Non-Housing Due Diligence Review and related information pursuant to Health and Safety Code Section 34179.6(a), the Oversight Board shall convene a public comment session to take place at least five (5) business days before the Oversight Board holds the meeting for the approval vote on the Due Diligence Review related matters. In this regard, the Public Comment Session meeting of the Oversight Board on the Non-Housing Due Diligence Review and related information is scheduled for Wednesday, December 12, 2012, at 10:30 a.m.



The meeting of the Oversight Board for the approval vote on the Non-Housing Due Diligence Review has not yet been scheduled but is expected to occur no fewer than five (5) business days after December 12, 2012, and before January 15, 2013.

In light of the results of the Non-Housing Due Diligence Review conducted pursuant to Health and Safety Code Section 34179.5 and the amount of cash and cash equivalents determined available for allocation to taxing entities to be zero, the Successor Agency does not have specific recommendations to the Oversight Board in connection with the Oversight Board exercising its authority pursuant to Health and Safety Code Section 34179.6(c) to adjust an amount provided in the Due Diligence Review or to authorize the Successor Agency to retain certain assets or funds that would otherwise be deemed available for allocation to taxing entities.

However, for any reason, including without limitation the extent there are any modifications to the amounts provided in the Non-Housing Due Diligence Review and/or the amount of cash or cash equivalents determined available for allocation to taxing entities in connection therewith, the Successor Agency does not waive any legal or equitable rights that the Successor Agency may have to make any recommendations to the Oversight Board and/or other entity in connection with the Non-Housing Due Diligence Review and/or to challenge, through administrative or judicial proceedings, all or any portion of the Non-Housing Due Diligence Review, any determinations rendered or actions or omissions to act by any public agency or government entity or division in connection with the Non-Housing Due Diligence Review, and any and all related legal and factual issues, and the Successor Agency expressly reserves any and all rights, privileges, and defenses available under law and equity.

Should you desire additional information regarding the matters referenced above or the Successor Agency and/or Oversight Board, please contact Gregory Wade, Deputy Director, at (619) 628-1354.

Sincerely,

/ s /

---

Gary Brown  
City Manager/Executive Director  
Imperial Beach Redevelopment Agency Successor Agency

cc: File  
Gregory Wade, Deputy Director, Successor Agency  
Mike McGrane, Finance Director, Successor Agency  
Juan Perez, Senior Auditor and Controller Manager, County of San Diego

## RESOLUTION NO. OB-12-11

**RESOLUTION OF THE OVERSIGHT BOARD OF THE IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY TAKING CERTAIN ACTIONS PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE SECTION 34179.6 IN CONNECTION WITH THE DUE DILIGENCE REVIEW FOR THE LOW AND MODERATE INCOME HOUSING FUND PREPARED PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE SECTION 34179.5.**

**WHEREAS**, the Imperial Beach Redevelopment Agency ("Redevelopment Agency") was a redevelopment agency in the City of Imperial Beach ("City"), duly created pursuant to the California Community Redevelopment Law (Part 1 (commencing with Section 33000) of Division 24 of the California Health and Safety Code) ("Redevelopment Law"); and

**WHEREAS**, the City Council of the City has adopted redevelopment plans for Imperial Beach's redevelopment project areas, and from time to time, the City Council has amended such redevelopment plans; and

**WHEREAS**, the Redevelopment Agency was responsible for the administration of redevelopment activities within the City; and

**WHEREAS**, Assembly Bill No. X1 26 (2011-2012 1<sup>st</sup> Ex. Sess.) ("AB 26" or "Dissolution Act") was signed by the Governor of California on June 28, 2011, making certain changes to the Redevelopment Law and the California Health and Safety Code ("Health and Safety Code"), including adding Part 1.8 (commencing with Section 34161) ("Part 1.8") and Part 1.85 (commencing with Section 34170) ("Part 1.85") to Division 24 of the Health and Safety Code; and

**WHEREAS**, pursuant to the Dissolution Act, as modified by the California Supreme Court on December 29, 2011 by its decision in *California Redevelopment Association v. Matosantos*, all California redevelopment agencies, including the Redevelopment Agency, were dissolved on February 1, 2012, and successor agencies were designated and vested with the responsibility of paying, performing and enforcing the enforceable obligations of the former redevelopment agencies and winding down the business and fiscal affairs of the former redevelopment agencies; and

**WHEREAS**, the City Council of the City adopted Resolution No. 2012-7136 on January 5, 2012, pursuant to Part 1.85 of the Dissolution Act, electing for the City to serve as the successor agency to the Redevelopment Agency upon the dissolution of the Redevelopment Agency under the Dissolution Act ("Successor Agency"); and

**WHEREAS**, as part of the FY 2012-2013 State budget package, on June 27, 2012, the Legislature passed and the Governor signed Assembly Bill No. 1484 ("AB 1484", Chapter 26, Statutes 2012). Although the primary purpose of AB 1484 is to make technical and substantive amendments to the Dissolution Act based on issues that have arisen in the implementation of the Dissolution Act, AB 1484 imposes additional statutory provisions relating to the activities and obligations of successor agencies and to the wind down process of former redevelopment agencies (including the required preparation of a due diligence review) (reference hereinafter to the Dissolution Act means AB 26 as amended by AB 1484); and

**WHEREAS**, the Dissolution Act at Health and Safety Code Section 34179 establishes a seven (7) member local entity with respect to each successor agency and such entity is titled the "oversight board." The oversight board has been established for the Successor Agency

(hereinafter referred to as the "Oversight Board") and all seven (7) members have been appointed to the Oversight Board pursuant to Health and Safety Code Section 34179. The duties and responsibilities of the Oversight Board are primarily set forth in Health and Safety Code Sections 34179 through 34181 of the Dissolution Act; and

**WHEREAS**, pursuant to the Dissolution Act at Health and Safety Code Section 34179.5, the Successor Agency retained Lance Soll & Lunghard, LLP, a licensed accountant approved by the San Diego County Auditor-Controller ("Auditor-Controller") and with experience and expertise in local government accounting, to conduct a due diligence review ("Due Diligence Review") to determine the unobligated balances of the Low and Moderate Income Housing Fund ("LMIHF") and all other funds and accounts available for transfer to taxing entities, in furtherance of the Successor Agency's obligations under Health and Safety Code Section 34177(d); and

**WHEREAS**, in accordance with the Dissolution Act at Health and Safety Code Section 34179.6(a), by October 1, 2012, the Successor Agency provided to the Oversight Board for the Successor Agency ("Oversight Board"), the Auditor-Controller, the State Controller, and the State Department of Finance ("DOF") the results of the Due Diligence Review for the LMIHF conducted pursuant to Health and Safety Code Section 34179.5 and specifically the amount of cash and cash equivalents determined to be available for allocation to taxing entities; and

**WHEREAS**, in accordance with the Dissolution Act at Health and Safety Code Section 34179.6(b), upon its receipt of the Due Diligence Review for the LMIHF, the Oversight Board convened a public comment session on October 2, 2012. The Oversight Board agreed to continue this public comment session to its meeting scheduled for October 11, 2012 in order to receive any public comment on the Due Diligence Review for the LMIHF before taking certain actions pursuant to Health and Safety Code Section 34179.6(c); and

**WHEREAS**, pursuant to the Dissolution Act at Health and Safety Code Section 34179.6(c), by October 15, 2012, the Oversight Board shall review, approve, and transmit to the DOF and the Auditor-Controller the determination of the amount of cash and cash equivalents available for disbursement to taxing entities as determined according to the method provided in Health and Safety Code Section 34179.5 for the LMIHF. In connection with this determination, the Oversight Board may adjust any amount provided in the Due Diligence Review for the LMIHF to reflect additional information and analysis. In addition, the Oversight Board shall consider any opinions offered by the Auditor-Controller on the Due Diligence Review results submitted by the Successor Agency. The Oversight Board may request from the Successor Agency any materials it deems necessary to assist in its review and approval of the determination; and

**WHEREAS**, pursuant to the Dissolution Act at Health and Safety Code Section 34179.6(c), the Oversight Board may authorize the Successor Agency to retain certain assets or funds identified in Procedures 6 through 9 of the Due Diligence Review for the LMIHF pursuant to Health and Safety Code Section 34179.5(c)(5)(B)-(E), provided that the Oversight Board identifies to the DOF (i) the amount of funds authorized for retention, (ii) the source of those funds, and (iii) the purposes for which those funds are being retained. Such Oversight Board authorization for the Successor Agency's retention of certain funds and assets shall be subject to the review and approval of the DOF; and

**WHEREAS**, Attachment B10 of the Due Diligence Review for the LMIHF identifies, pursuant to Procedure 10 in accordance with Health and Safety Code Section 34179.5, that the amount of cash and cash equivalents determined available for allocation to taxing entities in connection with the LMIHF is zero; and

**WHEREAS**, based on the information and results set forth in the Due Diligence Review for the LMIHF, the Agenda Report for the proposed Oversight Board's actions, any additional information provided by Successor Agency staff, and any comments and other information received by the Oversight Board during the public meetings on this matter, the Successor Agency staff proposes that the Oversight Board review, approve, and transmit to the DOF and the Auditor-Controller the determination that the amount of cash and cash equivalents available for allocation to taxing entities according to the method provided in Health and Safety Code Section 34179.5 for the LMIHF is zero, consistent with the results of the Due Diligence Review for the LMIHF.

**WHEREAS**, Attachment B6 of the Due Diligence Review for the LMIHF identifies, pursuant to Procedure 6 in accordance with Health and Safety Code Section 34179.5(c)(5)(B), unspent housing bond proceeds in the amount of \$913,452; and

**WHEREAS**, in accordance with Health and Safety Code Section 34179.6(c), the Successor Agency staff proposes that the Oversight Board authorize the Successor Agency's retention of the unspent housing bond proceeds in the amount of \$913,452, identified in Attachment B6 of the Due Diligence Review for the LMIHF; and

**WHEREAS**, the Successor Agency staff has advised the Oversight Board that, as required by Health and Safety Code Section 34179.6(c): (i) the amount of unspent housing bond proceeds to be authorized for retention by the Successor Agency is \$913,452; (ii) the source of those proceeds is the tax exempt Tax Allocation Revenue Bonds, 2003 Series A (Palm Avenue/Commercial Redevelopment Project) ("Housing Bonds") issued pursuant to an Indenture Trust, dated as of November 1, 2003, by and among the Imperial Beach Public Financing Authority, the Redevelopment Agency and Wells Fargo Bank, National Association, as trustee, backed by the Low and Moderate Income Housing Fund, to provide money for loans by the former Redevelopment Agency for the purposes of increasing, improving, and preserving the community's supply of low and moderate income housing; and (iii) the purposes for which those funds are to be retained by the Successor Agency are: (a) approximately \$380,000 toward that certain Clean & Green Program, including a proportionate amount for project administration costs, which Program provides grants to very low, low and moderate-income single-family homeowners to improve energy and water efficiency and health and safety conditions; and (b) approximately \$533,000 in financial assistance to Habitat for Humanity, including a proportionate amount for project administration costs, for the acquisition and development of six (6) semi-detached for-sale houses located at 776 10<sup>th</sup> Donax in the City of Imperial Beach, California for ownership by low-income households ("Habitat Project"); and

**WHEREAS**, the activity proposed of the Oversight Board in connection with the Due Diligence Review for the LMIHF has been reviewed with respect to applicability of the California Environmental Quality Act ("CEQA"), the State CEQA Guidelines (California Code of Regulations, Title 14, Sections 15000 *et seq.*, hereafter the "Guidelines"), and the City's environmental guidelines. Such activity is not a "project" for purposes of CEQA, as that term is defined by Guidelines Section 15378, because the activity is an organizational or administrative activity that will not result in a direct or indirect physical change in the environment, per Section 15378(b)(5) of the CEQA Guidelines.

**WHEREAS**, all of the prerequisites with respect to the approval of this Resolution have been met.

**NOW, THEREFORE, BE IT RESOLVED** by the Oversight Board of the Imperial Beach Redevelopment Agency Successor Agency, as follows:

- Section 1.** The foregoing recitals are true and correct and are a substantive part of this Resolution.
- Section 2.** The Oversight Board's approvals, authorizations and determinations as set forth in this Resolution are based upon the foregoing recitals, the Due Diligence Review for the LMIHF prepared by Lance Soll & Lunghard, LLP, information and documents provided by the Successor Agency staff, and any comments and other information received by the Oversight Board during the public meetings on this matter.
- Section 3.** The Oversight Board has reviewed and hereby approves the determination that the amount of cash and cash equivalents available for allocation to taxing entities according to the method provided in Health and Safety Code Section 34179.5 for the LMIHF is zero, consistent with the results of the Due Diligence Review for the LMIHF prepared by Lance Soll & Lunghard, LLP.
- Section 4.** The Oversight Board hereby authorizes the Successor Agency's retention of the unspent housing bond proceeds in the amount of \$913,452, identified in Attachment B6 of the Due Diligence Review for the LMIHF, pursuant to Procedure 6 in accordance with Health and Safety Code Section 34179.5(c)(5)(B).

Based on information provided by Successor Agency staff, and as required by Health and Safety Code Section 34179.6(c), the Oversight Board hereby directs the Executive Director, or designee, of the Successor Agency to provide to the DOF the following information:

- (i) the amount of unspent housing bond proceeds authorized for retention by the Successor Agency is \$913,452;
- (ii) the source of those proceeds is the tax exempt Tax Allocation Revenue Bonds, 2003 Series A (Palm Avenue/Commercial Redevelopment Project) ("Housing Bonds") issued pursuant to an Indenture Trust, dated as of November 1, 2003, by and among the Imperial Beach Public Financing Authority, the Redevelopment Agency and Wells Fargo Bank, National Association, as trustee, backed by the Low and Moderate Income Housing Fund, to provide money for loans by the former Redevelopment Agency for the purposes of increasing, improving, and preserving the community's supply of low and moderate income housing; and
- (iii) the purposes for which those funds are being retained by the Successor Agency are:
  - (a) approximately \$380,000 toward that certain Clean & Green Program, including a proportionate amount for project administration costs, which Program provides grants to very low, low and moderate-income single-family homeowners to improve energy and water efficiency and health and safety conditions; and

- (b) approximately \$533,000 in financial assistance to Habitat for Humanity, including a proportionate amount for project administration costs, for the acquisition and development of six (6) semi-detached for-sale houses located at 776 10<sup>th</sup> Donax in the City of Imperial Beach, California for ownership by low-income households ("Habitat Project").

**Section 5.** The Oversight Board hereby authorizes and directs the Executive Director, or designee, of the Successor Agency to (i) submit copies of this Resolution and actions taken herein, as approved and fully executed by the Oversight Board, to the DOF (electronically) and the Auditor-Controller no later than October 15, 2012; (ii) post a copy of this Resolution and actions taken herein, as approved and fully executed by the Oversight Board, on the Successor Agency's internet website; and (iii) take all other actions necessary pursuant to the Dissolution Act to file, post, mail, or otherwise deliver by electronic mail, internet posting, and/or hardcopy all notices and transmittals necessary or convenient in connection with the actions taken by this Resolution and related to the Due Diligence Review for the LMIHF.

**Section 6.** The Oversight Board hereby authorizes the Executive Director, or designee, of the Successor Agency to take such other actions and execute such other documents on behalf of the Successor Agency as are necessary to effectuate the intent of this Resolution, including, without limitation, submitting a meet and confer request with the DOF pursuant to Health and Safety Code Section 34179.6(e) to resolve any disputes regarding the amounts or sources of funds determined by the DOF in connection with the Due Diligence Review for the LMIHF.

**Section 7.** The Oversight Board determines that the activity proposed of the Oversight Board in connection with the Due Diligence Review for the LMIHF is not a "project" for purposes of CEQA, as that term is defined by Guidelines Section 15378, because the activity is an organizational or administrative activity that will not result in a direct or indirect physical change in the environment, per Section 15378(b)(5) of the CEQA Guidelines.

**Section 8.** This Resolution shall take effect upon the date of its adoption, subject to the DOF's review pursuant to Health and Safety Code Sections 34179.6(d) and 34179(h).

**PASSED, APPROVED, AND ADOPTED** by the Oversight Board of the Imperial Beach Redevelopment Agency Successor Agency at its meeting held on the 11<sup>th</sup> day of October 2012, by the following vote:

<b>AYES:</b>	<b>BOARDMEMBERS:</b>	<b>FOLTZ, GOODWIN, FERNANDEZ,</b>
		<b>SAADAT</b>
<b>NOES:</b>	<b>BOARDMEMBERS:</b>	<b>NONE</b>
<b>ABSENT:</b>	<b>BOARDMEMBERS:</b>	<b>HENTSCHKE</b>
<b>DISQUALIFIED:</b>	<b>BOARDMEMBERS:</b>	<b>WINTER, WEST</b>

/s/

**DERIC FERNANDEZ,**  
**VICE CHAIRPERSON**

**ATTEST:**

/s/

**JACQUELINE M. HALD, MMC**  
**SECRETARY**



EDMUND G. BROWN JR. • GOVERNOR

915 L STREET ■ SACRAMENTO CA ■ 95814-3706 ■ WWW.DOF.CA.GOV

November 7, 2012

Mr. Gregory Wade, Deputy Director  
City of Imperial Beach  
825 Imperial Beach Boulevard  
Imperial Beach, CA 91932

Dear Mr. Wade:

Subject: Low and Moderate Income Housing Fund Due Diligence Review

Pursuant to Health and Safety Code (HSC) section 34179.6 (c), the City of Imperial Beach Successor Agency (Agency) submitted an oversight board approved Low and Moderate Income Housing Fund Due Diligence Review (DDR) to the California Department of Finance (Finance) on October 11, 2012. The purpose of the review was to determine the amount of cash and cash equivalents available for distribution to the affected taxing entities. Pursuant to HSC section 34179.6 (d), Finance has completed its review of your DDR, which may have included obtaining clarification for various items.

Based on our review, Finance made no adjustments to the Low and Moderate Income Housing Fund (LMIHF) balance available for allocation to the affected taxing entities. As a result, there are no unencumbered LMIHF balances available for distribution.

Pursuant to HSC section 34167.5 and 34178.8, the California State Controller's Office (Controller) has the authority to claw back assets that were inappropriately transferred to the city, county, or any other public agency. Determinations outlined in this letter and Finance's Housing Assets Transfer letter dated August 30, 2012 do not in any way eliminate the Controller's authority.

Please direct inquiries to Robert Scott, Supervisor or Jenny DeAngelis, Lead Analyst at (916) 445-1546.

Sincerely,

STEVE SZALAY

Local Government Consultant

cc: Mr. Gary Brown, Executive Director, City of Imperial Beach  
Mr. Juan Perez, Senior Auditor and Controller Manager, County of San Diego  
Ms. Nenita DeJesus, Senior Auditor and Controller Accountant, County of San Diego  
California State Controller's Office